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General

Foreign Ministry Holds Weekly News Briefing

Comments on Hong Kong Laws

OW1003090094 Beijing XINHUA in English 0847
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Any legislation deliberated and adopted by the Hong Kong Legislative Council on the 1994/95 elections and any institution created accordingly will cease to be valid on June 30, 1997, a Chinese Foreign Ministry spokesman reiterated here today.

The spokesman made the statement when asked to comment on a report that on March 9, the Hong Kong Government submitted the second part of the constitutional package to the Legislative Council for deliberation.

He pointed out that the Chinese side has stated on many occasions that "in the absence of an agreement between the Chinese and British sides, any legislation deliberated and adopted by the Hong Kong Legislative Council on the 1994/95 elections and any institution created accordingly will cease to be valid on June 30, 1997."

Views Human Rights Resolution's Defeat

OW1003103094 Beijing XINHUA in English 1020
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Defeat of an anti-China draft resolution at a U.N. commission meeting is a victory for China as well as for the forces of justice in the international community, a Chinese Foreign Ministry spokesman said here today.

On March 9, the 50th session of the United Nations Commission on Human Rights decided, by a vote of 20 to 16, not to take action on the draft resolution tabled by some Western countries on the so-called "situation of human rights in China", thus frustrating the attempt to interfere in China's internal affairs under the pretext of human rights issues.

"This is not only a victory for China, but more important, it is a victory of the united struggle of the forces of justice in the international community," the spokesman said.

In recent years, the spokesman noted, China has made remarkable achievements in its reform and opening drive. A situation unprecedented in its history has prevailed throughout the country, featuring political stability, economic growth and a life of peace and contentment.

However, he said, in total disregard of these facts, a few Western countries once again tabled an anti-China draft resolution at the U.N. Commission on Human Rights.

The spokesman pointed out: "This only shows that they are not happy with the achievements the Chinese people have made. In fact, by feigning concern about the human rights situation in China, they harbor the true intention to exert political pressure on China and interfere in its internal affairs."

This act of politicizing the human rights issues and practice of hegemony undoubtedly met with the opposition of the majority members of the U.N. commission, he added.

The spokesman noted that the anti-China draft resolutions tabled successively in 1990, 1992 and 1993 by some Western countries all failed to be put to vote. This year, they suffered yet another defeat.

He stated: "A just cause enjoys abundant support while an unjust cause finds little support. The attempt by a small number of countries to manipulate U.N. activities in the field of human rights by way of power politics is unpopular and bound to fail."

"Gone are the days when China was subjected to willful bullying, humiliation and outside interference. And no one can stop the Chinese people from marching victoriously along the correct path of their own choosing," he stressed.

He expressed the admiration and thanks of the Chinese Government to all countries that have upheld justice and supported China and its appreciation for those that withheld their support for the anti-China draft resolution.

"The Chinese Government wishes to reiterate its willingness to work with the international community on the basis of equality and mutual respect and under the guidance of the principles of the U.N. Charter in a common effort to promote and protect human rights," the spokesman concluded.

Japanese Prime Minister To Visit

OW1003085394 Beijing XINHUA in English 0839
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Prime Minister Morihiro Hosokawa of Japan will pay an official visit to China from March 19 to 21 at the invitation of Chinese Premier Li Peng.

This was announced here today by a Chinese Foreign Ministry spokesman.

Ecuador's President To Visit

OW0303084594 Beijing XINHUA in English 0827
GMT 3 Mar 94

[Text] Beijing, March 3 (XINHUA)—A Chinese Foreign Ministry spokesman announced here today that at the invitation of President Jiang Zemin of the People's

Republic of China, Sixto Duran-Ballen, president of the Republic of Ecuador, will pay a state visit to China from March 18 to 23.

UN Human Rights Commission Drops Bill Against China

HK1003061094 Beijing XINHUA Domestic Service in Chinese 0254 GMT 10 Mar 94

[By reporter Zhou Shaoping (0719 1421 1627)]

[Text] On 9 March, the 50th meeting of the UN Human Rights Commission adopted a motion proposed by China, deciding not to proceed with a draft bill on "China's so-called human rights condition," which was proposed by some Western countries; thus, the attempt by Western countries to use the human rights issue as an excuse to exert pressure on China suffered another setback.

At three previous meetings, Western countries also proposed similar bills, which all came to early ends. At this round of meetings, these countries once again proposed the bill on "China's so-called human rights condition," asking the Commission to vote on it. Regarding this, Jin Yongjian, head of the Chinese delegation, proposed a motion asking members not to proceed with the bill. His motion won strong support from the developing countries and was passed by 20 votes in favor, 16 against, and 17 abstentions.

Jin Yongjian pointed out in his speech before the motion was voted on that some Western countries ignored the three refusals by the Human Rights Commission; ignored the actual situation in which China enjoys political and social stability, sustained and rapid economic development, and great improvement of living standards among its people; they insisted on proposing the draft bill which was against China, and their purpose was to exert political pressure on China, hinder China's economic development, and force the Chinese people to change the road of development which is chosen by themselves and which suits China's conditions.

He pointed out that one of the important reasons for China's comparative backwardness today is because China suffered invasion and looting by imperialism for a long time. In this regard, among the countries which proposed the draft bill, some had played a very disgraceful role, and today they once again want to instruct China to do this and that and willfully criticize it. How can this not cause grievances among the Chinese people?

He said that China is willing to begin international cooperation in the human rights domain on the premise of mutual respect and equality and based on the purpose and principle on the UN Charter, but China is firmly opposed to any country or group which slanders it in the name of "protection of human rights."

Before the vote, representatives from countries such as Cuba, Mauritius, Syria, Nigeria, Sri Lanka, Pakistan,

and Iran expressed support for China. They stressed that the international community must look at China's great achievements in the areas of politics, economy, and society. They said that China is a big country and its population accounts for one-fourth of the world's total, and that the Chinese Government has endured the challenge of managing such a big country, enabled various ethnic groups to live harmoniously, and let the people upgrade their living standard continuously. Regarding these achievements, the international community should give commendation and encouragement. They pointed out that Western countries are accustomed to imposing their own thinking and ideologies on others, and that the bill on "China's so-called human rights conditions" has a clear political motive.

World Bank Approves Environmental Loans

OW0903230494 Beijing XINHUA in English 2251 GMT 9 Mar 94

[Text] Washington, March 9 (XINHUA)—The World Bank said here today that it had approved a loan of 160 million U.S. dollars to help with Shanghai's environmental cleanup.

Shanghai, China's largest city, lacks safe water supply and its main source of water, the tidal Huangpu river, is at high-risk, World Bank officials said.

This is China's fourth freestanding environmental project supported by the bank. The bank is also involved in eight projects in water supply and sanitation in China.

Of the loans to China last year, which totaled 2.5 billion dollars, nine percent is on environmental protection, the bank said.

The bank's task manager for the project, Geoffrey Read called Shanghai "an economic engine of growth for China", which could help fuel the highest increase in gross domestic product in the world.

United States & Canada

Beijing 'Cannot Accept' U.S. Secretary on Human Rights Issue

HK1003074094 Hong Kong HSIN WAN PAO in Chinese 10 Mar p 4

["Special dispatch" by staff reporter Chen Shao-chiang (7115 1421 1730): "Wu Yi on Most-Favored-Nation Status, Says the United States Should Not Wield the Big Stick"]

[Text] Beijing, 10 Mar (HSIN WAN PAO)—Wu Yi, minister of foreign trade and economic cooperation, said today: "The Americans should not wield the big stick when they come to China. If they do so, they should not have come." Wu's remarks are aimed at U.S. Secretary of State Christopher, who is scheduled to arrive in China soon.

Wu Yi participated in the opening session of the National People's Congress [NPC] this morning as a visitor. Wu was met by reporters when she arrived at the meeting hall.

Wu Yi said that most-favored-nation [MFN] status is purely a trade matter, which should not be linked to politics. Therefore, we simply cannot accept the human rights question being raised by him (Christopher). This attitude of the Chinese Government is well known to the outside world."

Wu continued: "The MFN issue is absolutely a trade matter, which should be resolved by trade methods. They (United States) want to link it to politics. This is totally unacceptable to us."

Christopher will arrive in Beijing tomorrow.

Article Views U.S. President's 'Human Rights Diplomacy'

HK1003080094 Hong Kong WEN WEI PO in Chinese
10 Mar 94 p A4

["Special article" by Kuan Wen-liang (7070 2429 5328):
"The Purpose of Clinton's 'Human Rights Diplomacy'"]

[Text] Since the Clinton administration took office a year ago, it has incessantly practiced "human rights diplomacy" toward China. Beijing calls this "interfering in its internal affairs" and claims that "it will not yield to the United States." Some people overseas suspect that Washington is trying to "foster opposition forces" in China.... What was the Chinese reaction to "U.S. human rights pressure" exerted over the past year? Do a few people think Washington has achieved the expected results in practicing the U.S. human rights concept?

United States Ignores China's Judicial Sovereignty

On Clinton and his administration's position concerning the summoning of a parolee, a professor at Beijing university who is also a telecommunications expert, said in Shenzhen: "The United States has its judicial system, under which the police can arrest and detain law breakers according to its laws. Why is it that Chinese judicial authorities cannot summon a parolee who has broken his parole?" He accused U.S. politicians of being "arrogant and conceited," of "bullying others too much," and of "applying dual standards." He added that in everything the United States has done in recent years, it has very seldom respected China as an independent country: this was "unacceptable" to any Chinese with national dignity.

U.S. politicians asserted that the two people "were arrested because of involvement in freedom of speech," but Beijing claims that this was "summoning according to the law." The professor said: "Every country with complete sovereignty has its own judicial system. Although China's legal system is being improved, this does not mean that there is no judicature in China. If the

United States regards China as an equal independent country, it has no right to meddle in this affair!"

Chinese Despise U.S. Human Rights Concept

The professor from Beijing asked: There are more than 140 countries in the world, but only the U.S. President "talks glibly about human rights." Is it that all other countries "do not respect human rights" and only the United States does?

An intellectual who lived in New York for four years criticized the United States by saying that "it is not entitled" to teach China how to respect human rights. His reason is that the United States itself is a country which "simply does not have" human rights, adding: From 1979 to 1991, almost 50,000 children were shot dead in the United States, an average of more than 4,000 each year, and more children have died in recent years. This ranks first in the world. "Now 13 children die through guns every day, and 30 others are wounded...." "Is there anything else more valuable than the lives of innocent children? Are there human rights in the United States?" He advised that "Asia Watch" "who specialize in fabricating" "human rights violations" in the Third World should change to "U.S. watch," who should "look into the human rights record of the United States itself."

From Beijing to Guangzhou, it is not difficult to notice that the Chinese using public U.S. information and data to criticize U.S. society for "having no human rights." Cadres and intellectuals who are concerned with state affairs generally despise the U.S. human rights concept and even ridicule the Clinton administration's "human rights diplomacy."

Human Rights Diplomacy Serves as Negative Example

The Chinese are generally of the opinion that the U.S. "human rights theory" is hypocritical; therefore, the more the Clinton administration presses China on "human rights improvement," the more the Chinese become repugnant to what the United States says and does, and the more they are doubtful about the U.S. human rights record. This circuitous response has appeared in Chinese society.

The Chinese believe that this "circuitous response" emerged from a "bad thing" and has become a "good thing" which "helps the younger generation to understand deeply the hypocritical nature of U.S. human rights and hegemonism." Some Chinese regard the Clinton administration's pressure as a "negative example." A retired Chinese diplomat said: "Some young people in China cherish unrealistic illusions about the outside world; we frequently teach them to view the United States from a rational angle. Having rational knowledge alone is not adequate, they should also have perceptual feelings."

The Human Rights Baton Awakens Younger Generation

This deep "perceptual feeling" occurred last year, during which U.S. politicians and the mainstream media tried every possible means to stop China from hosting the 2000 Olympics, under the pretext that "there are no human rights" in China. At that time, Chinese in foreign countries condemned U.S. politicians for their "ugly politics" and "mean" tricks. In the meantime, people north and south of the Chang Jiang, particularly workers and young intellectuals in the cities, responded most strongly to this. Even a 10-year-old primary school pupil in Beijing sadly asked his father: "Why did the United States not allow us to host the Olympics?...."

Some friends who had previously "worshipped" the United States also admitted that they had "awakened." What did they awaken to? The awakened to the fact that "there is indeed hegemonism in the world and this hegemonism is targeted at China." In December last year, a researcher in the Beijing Academy of Social Sciences said privately: Problems should be viewed from a dialectical angle. Unquestionably, Washington's "human rights diplomacy" has caused "much trouble" to Chinese-U.S. relations, but at the same time it has also "taught" the Chinese to clearly understand hegemonism and "unified" this understanding.

If a Country Refuses to Become a Puppet, that Country Will Be Accused of "Having No Human Rights"

In recent years, the United States has accused Beijing of selling "long-range" missiles to Pakistan. It has created rumors that the Yin He was carrying materials for chemical weapons; it has framed China by saying that it exported prison-made products; it has closed down a Chinese firm in the United States; it has imposed a discriminatory embargo on trade; it has threatened to ban imports of Chinese products into the United States.... Moreover, every day it accuses China of "having no human rights" and threatens to revoke China's most-favored-nation status. Since assuming office a year ago, the Clinton administration has noisily made anti-Chinese remarks and exerted pressure on China. This has made the following impression on the world: The Clinton administration has never respected China as an independent country and has never considered that the Chinese people are entitled to national dignity.

On a plane from Beijing to Guangzhou, the manager of a state-owned enterprise said in jest: "If you are willing to become a U.S. puppet, the United States will say you have human rights and will make you a pro-democracy hero. Otherwise, they say you have no human rights. Do the Chinese not understand this simple theory? Do you know why so many Chinese spontaneously commemorated Mao Zedong's centenary? Because Mao Zedong was the symbol of the Chinese spirit and national self-respect!"

Article Views U.S. Secretary's Visit, MFN, Human Rights

HK1003054094 Hong Kong WEN WEI PO in Chinese 10 Mar 94 p A4

[Third of an unknown number of installments: "Special article" by special correspondent in Washington Tsu Hsing-fu (2612 1630 4395): "China Will Not Beg for MFN Treatment—Written on the Eve of Christopher's Visit to China"; first and second installments published in the 9 March China Daily Report]

[Text] Washington, 9 Mar—A Senior U.S. Official Meets With Wei Jingsheng on the Sly

Over the past week and more, China and the United States have again engaged in a battle of words over the human rights issue. During a recent visit to Beijing, a senior official of the U.S. Government arranged a meeting with Wei Jingsheng behind the back of the Chinese Government. The Chinese side has lodged a protest with the U.S. Government on this issue. In response to the recent moves made by the Chinese public security authorities to hold people like Wei Jingsheng and Wang Dan in temporary custody, the U.S. Government has again threatened to cancel China's MFN trading status. The purpose of the Chinese police in summoning people like Wei Jingsheng and Wang Dan is to convey a message to the United States and the U.S. Secretary of State Warren Christopher, who is scheduled to arrive in Beijing for a visit on 11 March: Do not take China for a weak country which can be easily bullied; do not take for granted that China will kowtow to the United States on the human rights issue in order to retain its MFN trading status.

To the common citizens of China, the present period is one in which they are enjoying the greatest freedom ever in traveling and expressing views for the past several decades. As a matter of fact, the political practice whereby people inform against each other has already been wiped out in China and people are no longer warned or put into prison for grumbling or raising well-intentioned criticism against the Chinese leadership. So long as the common citizens refrain from violating the law, from translating their anti-government remarks into action, or from being hell-bent on ingratiating themselves with foreigners, the Chinese police will not take the trouble to find fault with them.

In the past, the Chinese people's freedom of travel was considerably restricted. Without residential registration, people would find it very hard to have a long stay in another place, let alone find a job in another city. Today, all these restrictions have been abolished and people do not need residential registration to find a job or do business across the country. Neither did the Chinese people enjoy any freedom in choosing jobs in the past. Today, people can quit and change their jobs if they feel dissatisfied with their present jobs or units. In earlier days, people had to go through strict examination and approval formalities if they wanted to study abroad or

emigrate to another country; yet nowadays, the relevant authorities will not place any obstacles in front of such people provided that they are eligible to apply and have sufficient financial backing.

China's Crime Rate Is Lower Than That of the United States

Some Americans who know China well said emotionally that the social progress China has attained recently actually has a more extensive and far-reaching significance than the release of a few dissidents. As a matter of fact, China has done better than the United States in certain human rights fields. If it has self-knowledge, the United States really needs to be introspective about what it has done in the past. Compared with the United States, China has fewer homeless people; enjoys a lower crime rate in murder, rape, and robbery; and has a smaller proportion of prisoners. China has many good qualities in terms of human rights.

Democracy seems to be the development trend for the whole world and is irresistible from a long-term point of view. However, the form and speed of a country's democratic process should be determined by the country's cultural traditions and concrete national conditions. China must not indiscriminately copy the forms of democracy currently in practice in the United States and the West.

To the vast numbers of the Chinese common citizens who have just resolved the problem of having sufficient food and clothing and are heading for a fairly comfortable life, human rights and democracy are just like decorative ornaments. Totally different from the handful of dissidents in China to whom American journalists, human rights organizations, and a few U.S. Senators have paid much of their attention, the overwhelming majority of the Chinese people are most concerned about the economic prosperity of the country, a clean and industrious administration, stable commodity prices and social order, and better private lives.

The United States Attempts To Facilitate the Emergence of an Opposition Party in China

Facing the demands of the United States on the human rights issue, the Chinese side has tried hard to accomplish all it can, yet will never do anything which is not attainable at the present stage. China's reluctance to make major moves on U.S. human rights concerns stems from two worries. Firstly, China is worried that the U.S. human rights demands will turn out to be a bottomless pit. For example, the United States may ask China today to release a couple of people and China sets them free according to realistic conditions; yet tomorrow, the United States may again demand the release of more and later start urging China not to arrest anyone while releasing prisoners. As a matter of fact, the real intention of the United States in imposing human rights pressure on the Chinese Government is to facilitate the emergence of an opposition party in China which will put on a rival show against the government. Not that the leaders

of the Chinese Government do not want to expedite the pace of political reform because China's modernization drive can only succeed when political and economic reforms are carried out at the same pace; they are just worried about the possible emergence of major social turmoil inside China. China is a multinational country which has a big population and a weak economic foundation; moreover, because of their generally low cultural quality, many people still cling to the deep-rooted remains of the feudal ideology. As a result, China has found its political reform far more difficult than economic reform. Under such circumstances, if anyone pursues quick results in political reform, major turmoil is bound to break out in China. The Chinese Government and people shiver with fear when looking back at the anarchist state brought by the full "democracy" during the "Great Cultural Revolution" as well as at the thought of the present chaotic situation and tragedies in the former Soviet Union, Russia, and Eastern European countries.

Political Reform Takes Time

The U.S. Government also admits that a strong, stable, and democratic China is beneficial to the interests of the United States. If it really wishes to see a strong, stable, and democratic China, the United States ought not to impose an unduly heavy pressure on China at a premature time. Imposing an unduly heavy pressure is tantamount to trying to make people do something which they do not wish to do. Since democracy can only be built on the basis of social stability and economic development, the Chinese Government has regarded it as an urgent task to dilute ideological awareness and firmly seize favorable international opportunities to bring about further development to its economy. This is a wise decision and the Chinese people all show their approval with their hands up. A high-degree economic reform will inevitably bring about political reform; however, political reform in China takes some time and one should not expect to reach the sky in a single bound.

So long as U.S. Secretary of State Warren Christopher aims his China visit at seeking common ground on major issues while reserving differences on minor ones, at building up mutual trust, and at expanding the foundation of cooperation between the two countries, I believe that his visit to China will be a success. Therefore, there is no need for the United States to give up eating (granting MFN status to China) for fear of choking (human rights).

Qiao Shi Meets President of U.S. Semiconductor Corporation

OW0903132394 Beijing XINHUA in English 1247
GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress (NPC), met here today with

Dr. Gilbert Amelio, president of the U.S. National Semiconductor Corporation.

Amelio briefed Qiao on his firm's planned presence in China, saying that it hopes to become an enterprise which conducts experiments with semiconductor products, research and manufacturing.

Qiao praised the U.S. National Semiconductor Corporation's promotion of its cooperation with China to a new high, adding that such cooperation will enjoy a bright future.

Touching on Sino-U.S. ties, Qiao said that the relations between the two countries are developing in general and hoped that Sino-U.S. ties will continue on the basis of the three communiqués between the two countries.

The top Chinese legislator reaffirmed that there is no conflict of fundamental interests between the two countries. China does not agree with the practice of linking everything to the most-favored-nation status, he said.

The U.S. National Semiconductor Corporation, which plays an important role in the global semiconductor market, is one of the giants in the U.S. electronics industry. It opened a representative office here today.

Chinese Vice Premier Li Lanqing also met here with Dr. Gilbert Amelio and his party.

Northeast Asia

Qian Qichen Meets Japanese Prime Minister's Economic Aide

OW0903131994 Beijing XINHUA in English 1745 GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen met with Isamu Miyazaki, economic adviser to Japanese Prime Minister Morihiro Hosokawa, here this afternoon.

Miyazaki briefed Qian on Japan's current economic situation and policies, saying that Japan, like China, is conducting economic reform and Prime Minister Hosokawa is very interested in China's reform experience.

He conveyed greetings from Hosokawa, through Qian, to Chinese Premier Li Peng.

Qian said that frequent exchanges between China and Japan are beneficial to both countries, adding that China is looking forward to the forthcoming visit by Prime Minister Hosokawa.

Miyazaki arrived here this morning to prepare for Hosokawa's upcoming China tour.

Book 'My Father Deng Xiaoping' Published in Japan

OW0903173894 Beijing XINHUA in English 1651 GMT 9 Mar 94

[Text] Tokyo, March 9 (XINHUA)—Japanese edition of "My Father Deng Xiaoping" has been published in Japan, reports said today.

Xiao Rong, the author of the book, said at a ceremony at the Tokyo Akasaka Prince Hotel that the publication of the book in Japan would help strengthen friendship and relations between the two nations.

Decisions of DPRK Agriculture Meeting Noted

SK0903144794 Beijing China Radio International in Korean 1100 GMT 9 Mar 94

[Unattributed talk: "Korea Is Exerting Great Efforts To Develop Its Agriculture"]

[Text] Korea [choson] gives priority to agricultural development over any other activity, and agriculture is an issue to which Korean people pay overwhelming attention.

The 21st plenary meeting of the Sixth Workers Party of Korea Central Committee, which opened toward the end of 1993, decided that the following three years [as heard] would be a period of adjustment in economic construction, clearly presented a need to implement a new economic strategy of directing primary efforts to agriculture, the light industry, and foreign trade, and decided to increase state investment in agriculture and pursue agricultural development.

The Korean National Agriculture Meeting, which was convened this 25 February, summed up experiences and presented tasks and measures to develop agriculture based on those experiences.

An important task in developing agriculture in Korea is to increase rice and corn production per chongbo [one chongbo equals 2.45 acres] to eight or 10 tonnes and, thus, reap 15 million tonnes of grain a year in a few years. To fulfill this goal, the Korean National Agriculture Meeting presented various measures, and a noteworthy measure, among them, is to improve the peasants' cultural and technological standards and vigorously carry out a technological revolution in the rural areas.

The meeting noted that constantly improving the peasants' standards of agricultural technology is a key task to develop agriculture. The meeting demands that the higher education system be strengthened in rural areas, that many farm universities and agricultural colleges where students work and study open, that technical personnel necessary for agricultural production be trained en masse, that various technical study teams and special training courses be established to ensure that peasants learn latest agricultural science and technology.

Another important task in the Korean technological revolution in agriculture is to build irrigation systems, use electric equipment in farming, mechanize farm work, and use chemical fertilizers in farming.

The Korean National Agriculture Meeting noted that Korea had brought about great achievements in its efforts to build irrigation systems and use electric equipment in farming and that it must give priority to mechanizing farm work and applying scientific knowledge to farming.

Therefore, the meeting demanded that the industrial sector strengthen its assistance to agriculture and produce more agricultural equipment of various sorts to ensure that cooperative farms in various areas do farming in a timely manner without receiving assistance from the city labor.

The meeting demanded that chemical fertilizer plants in various areas produce efficient chemical fertilizers in abundance. It also encouraged those plants to produce biochemical fertilizers [saengmul hwahak piyo] and plant growth control materials [singmul songjang chojolchil] in abundance to supply them to rural areas.

Qiao Shi Meets ROK National Assembly Delegation

OW0903132594 Beijing XINHUA in English 1249
GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, met with a delegation from the Foreign Affairs and Unification Committee of the National Assembly of the Republic of Korea (ROK) led by its Chairman Chong Chae-mun here this afternoon.

Qiao expressed satisfaction with the rapid development in economic cooperation and trade between China and the ROK since the two countries established diplomatic relations and hoped that such a relationship would be further boosted on the basis of mutual benefit through concerted efforts by the two sides.

He said that the delegation's current visit to China will surely benefit the contacts between the Chinese NPC and the National Assembly of the ROK and further bilateral ties as well.

Chong said bilateral economic ties and trade are growing continuously and the contacts between the two peoples have increased.

He expressed the hope that the bilateral ties will grow in a sustainable manner.

Earlier this afternoon, Chinese Vice Premier and Foreign Minister Qian Qichen exchanged views with Chong on bilateral relations and issues of common concern.

Qian said China and the ROK are close neighbors and China is committed to developing the good-neighborly relations and friendship with the ROK.

Furthering bilateral economic relations and trade will not only benefit both countries, but also play an important role in safeguarding peace, prosperity and development in the whole region.

The delegation arrived here on Tuesday [7 March] for a goodwill visit to China as guests of the Foreign Affairs Committee of the NPC.

Sino-Korean Venture To Build International Park in Beijing

OW0703101594 Beijing XINHUA in English 0917
GMT 7 Mar 94

[Text] Beijing, March 7 (XINHUA)—The Beijing Asia TV-City Co. Ltd. of China and the Unicorn Company from the Republic of Korea signed an agreement today to build an international park in Beijing.

The Korean company is investing 150 million U.S. dollars in the super-park, which will be situated in Beijing's eastern outskirts at Xiangshan.

"It is the first major project for Korean companies to invest in China's Culture and Tourism Industry," said Jin Shuzeng, chairman of the Beijing Asia TV-City Co.

It is claimed that it will be the largest international park in the world. In it will be an audio-visual town, recreation centers, gymnasiums, holiday villas, and scenic spots featuring different nationality customs across the world.

The park will also have office buildings, financial buildings and conference buildings.

The project is expected to be finished in three years, said Yim Chul-kyu, publisher of the weekly SISA JOURNAL, a T.V. journal, and general adviser of the Unicorn Company.

"It's a high-level experiment between (The Republic Of) Korea and China in the field of cultural and economic exchange," Yim said. "More cooperation is expected between them in the future."

Near East & South Asia

Rong Yiren, Moroccan Minister Meet in Beijing

OW0903093994 Beijing XINHUA in English 0732
GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—Chinese Vice-President Rong Yiren met with Abdellatif Filali, minister of state for foreign affairs and cooperation of Morocco, and his party here this morning.

They exchanged views on bilateral ties, regional and international issues.

Rong said Sino-Moroccan relations have been developing smoothly since the two countries established diplomatic ties. He expressed the hope that bilateral relations in the fields of politics, economy and culture will be further strengthened.

Filali said Morocco and China enjoy good relations, and that the two sides share identical points on many major international issues.

Noting that China is a permanent member of the United Nations Security Council, Filali said that Morocco is willing to have a frequent exchange of views with China on issues of mutual concern.

Touching on the West Sahara issue, Rong Yiren said that China supports the relevant UN resolutions, and hoped that the parties concerned will, in cooperation with the UN, continue to make joint efforts and conduct referendum at an early date, so as to realize peace and stability in the region.

During the meeting, Filali also asked Rong to forward a letter from Moroccan King Hassan II to Chinese President Jiang Zemin.

Qian Qichen Meets Minister

*OW0903132494 Beijing XINHUA in English 1247
GMT 9 Mar 94*

[Text] Beijing, March 9 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen held talks with Abdellatif Filali, Morocco's minister of state for foreign affairs and cooperation, here this evening.

Filali is here as special envoy of King Hassan the Second of Morocco.

During the talks, Filali briefed Qian on the latest development of the West Sahara issue and Morocco's stand on it, saying that Morocco hopes the issue may be solved on the basis of relevant U.N. resolutions.

Qian said that China pays close attention to the West Sahara issue, adding that China holds that the issue should have a just and reasonable settlement within the framework of relevant U.N. resolutions, which will be conducive not only to the peace and stability of the Maghreb region, but also to the friendly neighborly relations between various countries in the region.

XINHUA Cites Indian Leader on Border Conflict

*OW0803160994 Beijing XINHUA in English 1521
GMT 8 Mar 94*

[Text] New Delhi, March 8 (XINHUA)—Indian Prime Minister Narasimha Rao said today that India and China are likely to achieve a breakthrough soon in ending eyeball-to-eyeball confrontation between the two armies at the border.

Speaking in both houses of parliament on Sino-Indian relations, Rao said that action is being initiated to

implement the agreement on maintaining peace and tranquillity on the line of actual control signed last year during his visit to China.

"We want to remove eyeball-to-eyeball confrontation in a very short time. We will be able to make a breakthrough," the Indian prime minister told the Lok Sabha, the lower of parliament. [as received]

Envoy Says Sino-Indian Trade To Reach 1 Billion Dollars

*OW0903054594 Beijing XINHUA in English 0535
GMT 9 Mar 94*

[Text] New Delhi, March 9 (XINHUA)—Bilateral trade between China and India is expected to reach the 1-billion U.S. dollar mark over the next three years, according to Chinese Ambassador to India Cheng Ruisheng.

As the Sino-Indian trade was already 670 million U.S. dollars last year, it can grow to the level of 1 billion U.S. dollars, Cheng said at a function here Tuesday [8 March].

At present China imports about 4 million tons of iron ore from India.

"The import bill could be much higher as our steel sector is growing by leaps and bounds. We will also need substantial quantities of coal in the near future," the Chinese ambassador said.

The main impediments in the way of a high growth rate in bilateral trade are the dearth of national shipping lines and banking clearance.

West Europe

'Roundup' Views Talks on Admitting New EU Members

*OW1003050894 Beijing XINHUA in English 0439
GMT 10 Mar 94*

["Roundup": "EU Reform Meets New Problems as Broader Talks Go"]

[Text] Brussels, March 9 (XINHUA)—Negotiations on admitting new members to an enlarged European Union (EU) continue even as Norway refuses to make any more concessions on its fishery policies.

Meanwhile, EU policy-making bodies are working on a plan to keep such a union operating efficiently after accepting new members.

Foreign ministers of the existing 12 EU nations gathered in Brussels on Tuesday to discuss for the first time technical details on how to restructure the enlarged union. However, following major disagreements over a voting mechanism, the meeting closed without reaching any conclusions on Wednesday morning.

While negotiations between the EU and Norway about its entry are undergoing some difficulties, it is believed in Brussels that an agreement could eventually be reached.

Further talks were held from Sunday through to Tuesday between the EU and Norway but, once again, they broke down with the two sides agreeing to reopen them on March 15.

The rights of fishing have been a thorny issue in the enlargement talks between Norway and the EU.

Norway says it can not make any more concessions to meet demands that EU fishing fleets from Spain and Portugal be granted more fishing rights in Norway's North Sea waters.

But Spain, which has the EU's largest fishing fleet, insists that it must be able to fish more in Norwegian waters and threatens to block Norway's membership bid if more fishing rights are not given.

Observers here believe that even if Norway refuses to comply with the concessions demanded by the EU, the enlargement program, which involves admitting Sweden, Finland and Austria, will not be effected.

However, they do stress that if the EU's reform of its internal structure, especially the vital voting mechanism, is not completed smoothly, all efforts to progress an enlarged union will have been wasted.

When the European Community (EC), the EU's predecessor, began talks to lay a foundation for enlargement by admitting Sweden, Finland, Austria and Norway in February 1992, it made it clear that the plan was to energize the grouping instead of weakening it or restricting the limits of its authority.

The European parliament has also made it clear that if the enlargement has a negative effect on the operation of the community, it will not approve the admission of new members.

When it was founded in 1957, the EC only had six member nations. But over the past 30 years, the number has doubled. However, its policies have remained basically unchanged.

If everything goes to plan, by January 1995 the number of members will have jumped to 16. This, though, means that its original practices and principles will no longer be suitable and institutional reform will become a major priority affecting its ability to accept new members.

The council of foreign ministers is the EC's highest policy-making body and enjoys legislative power. It consists of 12 ministers respectively from the 12 member nations. However, each minister's voting rights differ, depending on each country's population. The number of votes allocated to each minister can vary from 2 to 10.

At present, the council's tally of votes is 70: Germany, Italy, Britain and France each with 10; Spain 8; The Netherlands, Greece, Belgium and Portugal each with 5 votes; and Luxembourg 2.

According to reports, if the 12 nations fail to conclude an agreement on a voting mechanism or "iron out" their other difficulties for an enlarged union in the next two weeks, it will be impossible for the European parliament to give its approval for whatever has been decided before June 1, thus delaying the process even further.

Netherlands Foreign Minister Meets Li Peng, Qian Qichen

BR0903124294 Amsterdam DE VOLKSKRANT in
Dutch 9 Mar 94 p 4

[Article by Caroline Straathof: "Kooijmans Asks China For Dialogue"]

[Text] Beijing—Netherlands Foreign Minister Kooijmans talked with Chinese leaders on Tuesday about the need for a dialogue on human rights issues.

While Kooijmans met with Prime Minister Li Peng and his counterpart Qian Qichen, the confrontation between Beijing and Washington over human rights escalated. Yesterday student leader Wang Dan was arrested for the second time in a week for further questioning.

Kooijmans's U.S. counterpart, Warren Christopher, who is in Australia and will arrive in Beijing on Friday, said that the dozens of arrests last weekend "could have a negative impact" on his visit and on the assessment of Beijing's human rights policies. President Clinton wants to first see a significant improvement in human rights before extending China's most-favored nation trading status another year.

The Chinese Foreign Ministry has accused Clinton of "irresponsible interference in China's internal affairs." A few days ago Clinton criticized the arrests in Beijing and Shanghai. Kooijmans received a similar reaction when he questioned Li and Qian about the recent arrests.

The Netherlands is avoiding a confrontation to be able to exercise maximum pressure on Beijing, a civil servant in the Netherlands delegation said. Nevertheless, Kooijmans spoke of "difficult discussions." "The Chinese leadership still has very little sympathy for human rights," he said. "They see foreign concern in the context of an ideological controversy and believe that human rights are being used as a political weapon."

Kooijmans said that the Netherlands Government's room for maneuver should not be compared with that of the U.S. Government. The U.S. approach "is felt here to be particularly offensive. This emerged clearly from the reactions," he said. "We have our own approach. I find it important each time to inspire confidence by not using

human rights as a political weapon. To show that concern about human rights is real and not something which you raise for other motives."

The minister said he had "no reason at all" to think that his contribution was leading to any change in China's policies. "But I have been active in human rights long enough to know that you should never expect results overnight, that it is a very gradual process," he said.

In addition to the arrests of the dissidents, Kooijmans discussed with Foreign Minister Qian Qichen and Premier Li Peng the Tibet question and China's harder approach to religious activities. Kooijmans said that in the last year little progress had been made in China's contacts with the dalai lama, the exiled Tibetan god-king, or with his representatives.

As for the religious decrees announced last month, the Chinese Government gave the impression that they were intended to protect the religious freedom of the recognized religious communities or to oppose Islamic fundamentalism, Kooijmans said.

Kooijmans said he had the impression that the decrees were also directed against a number of Christian communities. He expressed his displeasure about this and advised the Chinese to contact the World Council of Churches and the Vatican.

Kooijmans also gave his Chinese hosts a new list of names of people about whom the Netherlands Government is asking for information. Most of the people mentioned are in prison after being sentenced in court. A number of them are in "administrative detention," which comes down to being held for three to four years without trial.

Sino-Spanish Loan Accord Signed in Madrid

*OW1003061894 Beijing XINHUA in English 0610
GMT 10 Mar 94*

[Text] Madrid, March 9 (XINHUA)—The Bank of China and the banking consortium spearheaded by the central American Bank of Spain signed here today an agreement of credit loan totalling 320 million U.S. dollars.

The largest-ever credit loan between China and Spain will be used by Henan Province to buy Spanish generator sets for its "Duck River" power plant project.

This accord is believed to play an active role in the promotion of the two countries' economic and trade relations.

Political & Social

Reportage on Second Session of Eighth NPC

Session Opens

OW1003011094 Beijing XINHUA in English 0103
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—The Second Session of the Eighth National People's Congress [NPC] opened in the Great Hall of the People here this morning.

Qiao Shi, chairman of the NPC Standing Committee, declared the opening of the meeting. Premier Li Peng has begun delivering a government work report.

Attending today's meeting are Chinese Communist Party and Government leaders Jiang Zemin, Li Ruihuan, Zhu Rongji, Liu Huaqing and Hu Jintao.

XINHUA Details Opening

OW1003015494 Beijing XINHUA in English 0143
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—The second session of the Eighth National People's Congress (NPC), China's legislature, opened in the Great Hall of the People here this morning.

Attending today's opening ceremony are 2,808 NPC deputies from all over the country and the People's Liberation Army. Also attending as nonvoting delegates are more than 1,800 members of the National Committee of the Chinese People's Political Consultative Conference.

The current NPC session is regarded as an important meeting being convened at a time when China is speeding up the establishment of a socialist market economy and accelerating its modernization drive. All social sectors in China place high hopes on the session.

At 9:00, Qiao Shi, chairman of the NPC Standing Committee and an executive chairman of the session presidium, declared the opening of the session.

Minutes later, Premier Li Peng began delivering a government work report to the session.

He said, "The sound development of the economy will maintain its growth momentum in 1994, an important year for pushing ahead with reforms."

The premier stressed the importance of correctly handling relations between reform, economic development and social stability.

He said, "economic development is the center of all our work, reform and opening up are the motive force of development, and development and reform are the foundation of long-term social and political stability in

China; and social stability, in turn, is a prerequisite for economic development and smooth progress in reform."

The premier said that, to ensure a sustained, rapid and sound development of the national economy, the growth rate of China's gross domestic product (GDP) for 1994 has been set at nine percent.

In the wake of 13 percent increases for China's national economy in the last two consecutive years, the growth rate planned for 1994 is both "vigorous and appropriate."

The government work report runs about 16,000 words, 4,000 fewer than a similar report he delivered a year ago. Li Peng devoted two-fifths of his report to China's economic work and new reform measures adopted by the government since the beginning of 1994.

The report covers seven parts: a review of government work in domestic affairs in 1993 and basic principles for work in 1994; maintaining a steady, rapid and sound development of the national economy; speeding up the establishment of a socialist market economy; expanding scientific and technological undertakings and developing education and culture; strengthening socialist democracy and the legal system; promoting the peaceful reunification of China; and China's diplomatic work.

Attending today's session are leaders of the Chinese Communist Party and the government Jiang Zemin, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao and Rong Yiren.

In attendance are also diplomatic envoys to China.

About 1,000 Chinese and foreign reporters are in the Chinese capital to cover the session.

The Central Broadcasting Station, the China Central Television Station and China Radio International are giving the session live coverage.

Beijing Television Broadcasts Opening

OW1003075294

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 0055 GMT on 10 March begins live coverage of the Second Session of the Eighth National People's Congress [NPC] from the Great Hall of the People in Beijing.

Video opens with a close shot of a red-and-gold NPC emblem hanging in front of backstage curtains on the rostrum; the emblem is flanked by five red flags on each side. As the camera slowly backs up to show the entire rostrum, an unidentified female announcer introduces the broadcast as live coverage of the opening of the NPC session. While she reviews the achievements scored by the Chinese people over the past year under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and the leadership of the CPC Central Committee with Jiang Zemin as the core, the camera pans the spacious hall, where several thousand

seats on the first, second, and third floors are already filled. According to the announcer, the executive chairmen of today's session are the permanent members of the presidium. They are: Qiao Shi, Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Qin Jiwei, Li Ximing, Wang Bingqian, Pagbalha Geleg Namgyai, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, Li Peiyao, Wu Jieping, and Cao Zhi. Qiao Shi presides over the opening.

At 0101 GMT, Jiang Zemin, Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and Rong Yiren appear on the rostrum.

At 0103 GMT, Qiao Shi, dressed in a dark Western business suit and tie, announces: "Fellow deputies, of the 2,980 deputies to the Second Session of the Eighth NPC, 2,808 are present today and 172 are absent because of illness or previous engagement. We have a quorum. I now declare the Second Session of the Eighth NPC of the People's Republic of China open." All present then stand to attention during the playing of the national anthem.

At 0105 GMT, Qiao Shi invites Premier Li Peng to deliver a report on the work of the government.

Li Peng, in a dark Western business suit and tie, reads the report from a prepared text. As he reads the report, the camera shows close shots of leaders seated on the rostrum. Qiao Shi, in the middle of the first row, is flanked, on his left, by Tian Jiyun, Ni Zhifu, Fei Xiaotong, Lei Jieqiong, Li Ximing, Pagbalha Geleg Namgyai, Cheng Siyuan, Buhe, and Li Peiyao; and, on his right, by Wang Hanbin, Chen Muhua, Sun Qimeng, Qin Jiwei, Wang Bingqian, Wang Guangying, Lu Jiaxi, Tomur Dawamat, Wu Jieping, and Cao Zhi. All are attired in Western business suits, except for Li Ximing, who is in a gray Chinese tunic suit. The second row is divided by an aisle into two sections. Jiang Zemin is seen seated near the aisle on the left section facing the audience. On his left are Li Ruihuan, Liu Huaqing, Hu Jintao, Rong Yiren, Ding Guangen, Yang Baibing, Wu Bangguo, Chen Xitong, Jiang Chunyun, Wei Jianxing, Xie Fei, Wen Jiabao, and Zhang Zhen. Seated in the right section of the second row from the aisle are, an empty seat earlier vacated by Li Peng, Zhu Rongji, Zou Jiahua, Qian Qichen, Li Lanqing, Li Tieying, Chi Haotian, Song Jian, Li Guixian, Chen Junsheng, Ismail Amat, Peng Peiyun, Luo Gan, Ren Jianxin, and Zhang Siqing. All in the second row are also dressed in Western attire, except for Yang Baibing, Chen Xitong, Ren Jianxin, and Zhang Siqing, who are wearing dark Chinese tunic suits; and Liu Huaqing, Chi Haotian, and Zhang Zhen, who are dressed in military uniform.

While Li Peng continues to read the government work report, the camera pans delegations from provinces, municipalities, autonomous regions, and the [0018] liberation Army; as well as non-voting delegations from ministries, commissions, and departments

under the State Council. They are seen listening attentively to or taking notes on the copy of the report in hand. Some of the ethnic deputies are wearing brightly colored national costumes.

At 0230 GMT, Li Peng concludes his government work report amidst warm applause by the deputies in attendance. Qiao Shi then announces: "Fellow deputies, the session is over for this morning and will reconvene tomorrow [11 March] morning. Now the session is in recess."

At 0233 GMT, live coverage ends with a shot of the deputies leaving the hall.

Li Peng Government Work Report

*OW1003023694 Beijing Central Television Program
One Network in Mandarin 0105 GMT 10 Mar 94*

[Text of Government Work Report Delivered by Chinese Premier Li Peng at the Opening of the Second Session of the Eighth National People's Congress at the Great Hall of the People in Beijing on 10 March 1994—live]

[Text] Fellow deputies:

On behalf of the State Council I would now like to deliver the government work report at this session. Please examine it. I also request members of the Chinese People's Political Consultative Conference [CPPCC] National Committee and other observers to present your views.

I. A Review of Domestic Affairs in 1993 and Basic Principles for the Work in 1994.

The past year was a year in which the nation implemented in all sectors the guidelines laid down by the 14th National CPC Committee in all sectors and proceeded victoriously along the course of building socialism with Chinese characteristics; and in which major achievements were made in reform, opening up, and modernization, and a new situation appeared in the work in all quarters. In an international environment marked by unrest, changes, and economic recession, our great socialist motherland stands tall in the east of the world with fast economic growth, political stability, national solidarity, and social progress! [applause]

Our national economy maintained rapid growth. On the basis of the fast growth in 1992, our national economy continued its vigorous development in 1993. The gross domestic product [GDP] exceeded three trillion yuan, topping that of the preceding year by 13.4 percent. Agriculturally it was a year of bumper harvests. Agriculture, forestry, animal husbandry, side-line production, and fishery developed steadily. The added value of agricultural output increased 4 percent. The output of major agricultural products increased substantially, with the exception of cotton and sugar-bearing crops, the production of which declined. Grain output reached 456.4 billion kilograms, which was a record high. Village

and town enterprises continued to develop rapidly. The added value of the nation's industrial output increased by 21.1 percent. The output of certain major goods increased by big margins. Steel output reached 88.68 million tonnes. The pace of enterprises' technological transformation and product-mix restructuring quickened. Economic returns were higher. The domestic market thrived. The total volume of consumer goods increased 11.6 percent. The investment pattern was improved. Major construction projects were intensified. Remarkable results were achieved in energy, communications, and telecommunications construction. The capacity of generators was expanded by 14.38 million kw. The construction of the Beijing-Jiujiang, Nanning-Kunming, and other main railways was progressing smoothly; and the construction of high-grade highways and key seaports quickened. The development of postal and telecommunications services was particularly fast. The number of telephones in urban and rural areas increased by 3.67 million units.

To deal with conspicuous contradictions and problems during the rapid economic development, the CPC Central Committee and the State Council took timely macroeconomic regulatory and control measures, made great efforts to rectify financial order and stabilize the economic situation, and maintained the good momentum of economic development, thus providing the necessary conditions for sustained economic development, and smooth progress of reforms this year. In addition, we have accumulated valuable experience in exercising macroeconomic regulation and control under the socialist market economic conditions.

While new progress has been made in reform and opening up, we have continued to promote reforms in all fields according to the requirements of establishing a socialist market economic structure. The reform, with emphasis on changing operational mechanisms, continued to deepen. Enterprises were given decision-making power step by step. The main role of the market was strengthened. While developing the state-owned and collective economy, the individual, private, and foreign-funded sectors of the economy continued to grow. Prices were further rationalized, and both the buying and selling prices of grain were basically decontrolled. The pace of development of markets for production factors, including capital, land, labor force, technology and information, was accelerated.

On the basis of conducting thorough investigation and study and seeking opinions from all quarters, we formulated plans for reforming the fiscal and taxation, financial, investment, and foreign trade systems. These reform plans now have in the main been promulgated, and are proceeding quite smoothly. This indicates an important step taken by China in establishing a socialist market economic structure.

In the past year, the country was opened to the outside world wider and wider, foreign investment remarkably increased, the area of investment was expanded, and the

investment structure improved. Direct investment totaled \$25.8 billion, the largest for one year since the start of reform and opening up. Foreign trade enjoyed an all-round development, with total volume of import-export trade amounting to \$195.8 billion, up 18.2 percent from 1992. Of the export goods, the proportion of manufactured goods increased and the degree of processing was enhanced.

Scientific and technological cooperation and cultural exchanges with foreign countries further expanded. International tourism made rapid development. Contracting of projects and provision of labor services abroad became more brisk. Various social undertakings made further development. New progress was made in scientific and technological undertakings while deepening reform. Implementation of the plans for technological research and applied technology research, and for tackling key problems in science and technology proceeded smoothly, and over 30,000 major scientific and technological results were achieved. A number of scientific results including the Galaxy II supercomputer and the Dawn I robot reached advanced world levels. Construction of the new and high technology industrial development zones made new development, thus playing an obvious role in commercialization and industrialization of scientific results. Educational undertakings advanced amid reform. Basic education, vocational education, adult education, and higher education continued to develop and improve.

China successfully held the Seventh National Games and hosted the first East Asian Games. Chinese athletes won 103 world championships in major international sports meets. The mass sports activities continued to develop. New achievements were scored in the fields of literature and arts, the press and publishing, radio, film and television, the social sciences, public health, pharmaceutical production, family planning, environmental protection, disaster prevention, and disaster reduction. Celebration of Chairman Mao's birth centennial and the showing of 100 patriotic films produced excellent social effects. Work on the comprehensive management of social order was further promoted. New achievements were scored in national defense undertakings. The development of socialist spiritual civilization, democracy, and the legal system was stepped up. The livelihood of the urban and rural people continued to improve. After allowing for price rises, last year the average amount of per capita income that urban and rural dwellers used for living expenses increased 10.2 percent, and per capita net income of rural residents went up by 3.2 percent. Bank savings deposits of urban and rural residents increased by a big margin, with the yearend balance of bank savings deposits reaching 1,476.4 billion yuan, up 28 percent. In 1993, housing floor space totalling 270 million square meters was added for urban residents, and 570 million square meters were built in rural areas. Consumption levels of urban and rural citizens went up steadily, and their spiritual and cultural life was constantly enriched.

Deputies: Over the last year, under the leadership of the CPC and through struggle in unity by people of various nationalities across the country, we have in the main completed various tasks for 1993 set by the First Session of the Eighth National People's Congress.

On behalf of the State Council, I wish to express my heartfelt gratitude to people of various nationalities of the whole country for their trust in the work of the government and their support. [applause]

I also wish to express my sincere thanks to compatriots in Taiwan, Hong Kong and Macao; Overseas Chinese; and all foreign friends who have shown concern for and supported our country's modernization drive. [applause]

While affirming our achievements, we have soberly seen that there are still some deficiencies and shortcomings in the government's work. In the course of advancing, there are still some prominent contradictions and difficulties, principally, the scale of investment in fixed assets was overextended; increases in commodity prices were relatively large; the problem of the irrational economic structure remained fairly salient; some state-owned large and medium enterprises still had considerable difficulties in production and management; public order in some localities was bad; the fight against social ills was not forceful enough; corrupt practices such as embezzlement, bribery, favoritism, and fraud existed among a small number of government functionaries; and formalism and bureaucratism among government departments affected the government's ties with the people. The party Central Committee and the State Council have paid great attention to these problems and have been taking measures to solve these problems in an effective manner.

Fellow deputies, after having comprehensively analyzed the situations at home and abroad, the CPC Central Committee clearly put forward the basic principles for the work of the whole party and the whole nation, namely, to implement the guidelines of the 14th National Party Congress and the Third Plenary Session of the 14th CPC Central Committee in an all-round way; accelerate the establishment of a socialist market economic structure; maintain sustained, rapid, and healthy national economic development [bao chi guo min jing ji chi xu kuai su jian kang di fa zhan]; maintain political stability; and promote sweeping social progress under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and the party's basic line. The CPC Central Committee emphatically pointed out that seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability represent the overall interests of the work for the whole party and the whole nation. We must subordinate ourselves to and serve these overall interests in carrying out all our tasks. We must conscientiously and properly handle the relationships among reform, development, and stability in real earnest. Economic development is the center of all our work, reform and opening up are the motive force of

development, and development and reform are the foundation of long-term social and political stability; and social stability, in turn, is a prerequisite for economic development and the smooth progress of reform. Judging from the conditions at home and abroad, we can see that China faces a rare historical opportunity now. So long as we conscientiously do a good job in all fields of endeavor, timely discover new situations existing in reform and development and solve new problems, and maintain coordination among reform, development, and stability, and enable them to promote one another, our cause of socialist modernization will surely be able to march from one victory to another. [applause]

II. Maintain Sustained, Rapid, and Healthy Development of the National Economy.

Nineteen ninety-four is a year in which the national economy has continued to maintain its growth momentum and is also an important year for us to press ahead with reform. In our economic work this year, we will deepen reform, open wider to the outside world, strengthen and improve macroeconomic regulation and control, vigorously readjust the economic structure, promote technological progress, actively open up markets, heighten economic efficiency, and control inflation to maintain sustained, rapid, and healthy development. In line with these requirements, the gross domestic product is projected to increase 9 percent this year. It is fairly appropriate that this growth rate has been arranged on the basis of 13 percent annual growth for two consecutive years. It will be a tremendous achievement if we can maintain a growth of between 8 percent and 9 percent for a successive number of years.

Comrade Jiang Zemin has pointed out: New ideas are needed to promote development. It is necessary to truly switch onto the track which focuses on heightening economic performance. We must not blindly take the old road of blindly going after output value, growth rate, and expanding the scale of investment. The current conditions for economic growth are somewhat tight, and the effects of bottleneck restrictions and inflationary pressures are expanding. Reform requires a fairly relaxed circumstance. We must correctly analyze and grasp the situation. We must not only see favorable conditions but also pay attention to unfavorable factors in an effort to maintain a vigorous but also steady and proper growth rate. In line with their respective actual conditions, various localities should determine a rational growth rate for themselves. They should avoid competing with each other and recklessly going after output value.

We must strengthen the role of agriculture as the foundation of the national economy, and develop all sectors of the rural economy. Agriculture concerns the overall situation. As the majority of China's population resides in the countryside, at no time should we neglect the farmers' interests and rural economic development. The supply of farm products has a direct bearing on the stability of prices, and the improvement of people's

living conditions in urban and rural areas. Moreover, increases in farmers' incomes also has a direct bearing on the expansion of markets.

Governments at all levels must conscientiously implement the guidelines of the central conference on rural work held last year, stabilize all basic party policies for rural areas, further deepen reform in rural areas, and appropriately resolve the outstanding contradictions and problems emerging in the course of economic development in rural areas. On the basis of ensuring the steady growth of grain and cotton production, it is necessary to promote an all-round development of agriculture, forestry, animal husbandry, sideline undertakings and fishery, bring about the sustained growth of town and village enterprises, and do everything possible to increase farmers' incomes.

The main measures are as follows:

To appropriately increase the purchase prices of grain and the prices of contract purchase of cotton; to support the development of the industry for agricultural use; to strengthen the management of the prices of agricultural capital goods; to increase the central and local governments' agricultural investment; to encourage and guide collectives and peasants to increase investment; to step up agricultural capital construction and comprehensive agricultural development; to refine the state's grain storage system and to establish grain risk funds; to strengthen the regulation and control of the grain market and stabilize grain price; on the basis of stabilizing the area of grain and cotton crops and increasing per-unit area output, to adjust the agricultural production structure and develop a diversified economy.

The state will give support to 500 selected key commodity grain production counties and 150 counties producing good-quality cotton, and will build a number of high-yield, good-quality, and highly efficient model agricultural zones each of which with its own characteristics.

Developing village and town enterprises is the way we must go to enable the rural population to live a relatively comfortable life. We should continue to support village and town enterprise development, especially in the middle and western parts of the country.

We will continue to advance agriculture through the application of science and technology and promotion of education. We will cultivate a large number of useful and dedicated agricultural technicians, make agricultural technology promotion organs more stable, take positive measures to prevent plant diseases and insect pests, and promote fine strains and the use of advanced and applicable technologies.

The measures on easing farmers' burdens have enjoyed popular support, and we should continue to carry them out. We should earnestly carry out the plan to help the poor. This plan is, over the next 7 years from now to the end of this century, to help the 80 million people in poor

areas, especially in the old revolutionary base areas, minority nationality areas, and frontier areas, to have enough to eat and wear, and to help them free themselves from poverty and live a better life. This is an unshirkable responsibility of governments at all levels. We believe this plan will definitely win warm support from people across the country. [applause]

We must dearly cherish and protect cultivated land, continually promote the building of a socialized service network, further develop and perfect farm produce markets, push forward reform of the supply and marketing systems and the household registration administration system of small towns. The transfer of surplus rural labor to nonagricultural sectors and its rational flow between regions are the objective requirements of economic development and an inevitable trend. We must actively guide and strengthen the management of this work and carry it out step by step in a well-organized way.

We should improve management and do a good job of production on the industrial and communications front. Successfully carrying out industrial production and communications, especially the production and operation of state-owned large and medium enterprises, is of extremely great significance to maintaining the national economy's sustained development. Generally speaking, reform measures announced this year will have a positive impact on the enterprises' production and operations. However, they are also likely to bring temporarily unfavorable elements to some enterprises. Currently, some state-owned large and medium enterprises are still in a difficult situation and suffer from poor economic efficiency. The causes of this are in their operating mechanisms as well as in their heavy social burdens, numerous historical loads, and poor internal management. We must actively work from many aspects to resolve this. Given that our finances are still fairly difficult, the State Council has nevertheless decided to exempt state-owned enterprises from the energy and transport funds and budget regulatory funds, beginning this year. In addition, a special fund is appropriated to consolidate bankrupt enterprises and resettle their workers. All localities and departments should place the task of making state-owned large and medium enterprises successful at the head of their agenda, adopt feasible measures to create a favorable external environment for enterprises to carry out management and operations, and help them halt losses and increase profits. However, fundamentally speaking, state-owned enterprises must rely on their own efforts to overcome their difficult situations. While actively pressing ahead with reform, enterprises must actively adjust their product mix in light of market demands at home and abroad, strive to produce readily salable goods, and constantly develop new products to enhance their market adaptability and competitiveness.

Governments at all levels should attach importance to commercial work and unclog the channels of rural and urban markets in order to further enliven commodity circulation and smooth the flow of goods. Technical

transformation of enterprises should be conducted by focusing on optimization of the product mix, improving the quality of products, reducing consumption, and lowering costs. Basic industries should upgrade their production capacity through technical transformation; and processing industries should seek advancement through technical transformation. We should attach importance to and support the transformation of the old industrial bases in order to enable them to continue playing an important role in the national economy.

The condition of production safety in some enterprises is not good, and serious accidents causing deaths and injuries have occurred quite frequently. Bad management is the main cause. Therefore, we must pay a high degree of attention to this situation. We should adopt effective measures to strengthen management on production safety and make sure that our efforts in this respect yield obvious results as soon as possible.

We must maintain a rational scale of investment and optimize the investment structure. A rational investment scale is an important condition for maintaining economic stability and enhancing the capacity to advance future economic development. Currently, the number of projects under construction throughout the country is already large, and the number of construction projects arranged for the new year is not insignificant. We can no longer permit the continued expansion of construction projects. Even in the construction of basic industries and infrastructural facilities, we should also undertake them in line with our financial capacity. In order to realize a sustained, rapid, and healthy development of the national economy, all localities and departments must draw up their plans rationally by bearing in mind the overall situation and following an order of importance and urgency. They must give priority to devoting their financial and material resources to projects under construction involving the transport, telecommunications, energy, and important raw and semi-finished material industries, as well as to other key construction projects involving the harnessing of large rivers and lakes. The coastal areas should be encouraged to invest in central and western regions in China and to jointly exploit local resources by making use of the advantages of the labor force there.

This year, we will no longer approve the establishment of new development zones in the country. In the future, new capital construction projects must not start before necessary funds are available; it is necessary to have a certain proportion of capital to start new projects. Making investments by diverting circulating funds or by borrowing money will not be permitted. The banks should tighten supervision and management to ensure the sufficient amount of circulating funds needed when projects are put into production.

Deepening the reform of the investment system is a fundamental guarantee for maintaining a rational scale of investment, optimizing the investment structure, and heightening investment returns. The reform of the

investment system this year mainly involves the establishment of the National Development Bank. The aim is to provide a steady source of funds for key capital construction projects, and at the same time to check inflation and investment expansion through the balancing of capital. In order to establish a mechanism for restricting investment, both investors and the banks which provide loans must undertake responsibility for investment risks. We must improve macroeconomic regulation and control over the scale of investment and investment structure and standardize the procedures of making policy decisions on investment in order to reduce recklessness in investment.

We will open up wider to the outside world and develop cooperation and exchanges with foreign countries. On the whole, the current international situation is favorable to our country. We must seize this opportunity and continue to do a good job in opening up our special economic zones, the Shanghai Pudong New District, coastal open cities and belts, and technological and economic development zones, as well as key cities located in border areas, along rivers, and in the interior; and continue to raise the level of opening up. To maintain and develop the good momentum of foreign investment in China, we should further improve the investment environment, improve our economic laws and regulations concerning foreign businesses, make earnest efforts to protect foreign-funded enterprises' legitimate rights and interests, guide foreign investment with our state industrial policy, and encourage foreign investors to participate in building our country's basic industries and infrastructures. Foreign-funded enterprises should also abide by China's laws and regulations and operate their businesses according to law. We should pay attention to maintaining a proper amount of foreign debts and a rational mix of debts. Maintaining a basic balance of international receipts and payments is an important condition for achieving a sustained and healthy economic development. China's economy is developing rapidly and the prospects of its market are very bright. Our imports last year increased quite considerably and the growth of our exports was relatively slow, causing a rather substantial deficit in our foreign trade. To ensure our needs of imported goods, we must actively expand our exports. We must follow the strategy of winning with quality and diversifying our markets, increase the intensity of processing, increase the technology of our goods, improve after-sale service, and actively explore new markets while consolidating and developing existing markets. We must continue to improve the tax refund system for exports, decontrol the import-export businesses in an orderly manner, and authorize more enterprises with the needed resources to trade with foreign countries.

Foreign trade enterprises must earnestly change their operating mechanisms, thinking, and styles, and develop in the direction of turning themselves into industrialized, internationalized, and group-type trade enterprises. We must strengthen the approval and management of

investments outside the country, strengthen the supervision over enterprises established outside the country, strive to develop international tourism, and expand the business of contracting foreign projects and cooperation in labor service. Making continual and constant efforts to improve the people's living standards and the standards of their material and cultural lives on the basis of economic development is the basic purpose of developing our economy. It is also the basic objective of government work. We must firmly uphold the mass view and be concerned with the masses' plight at all times.

Though we reaped bumper agricultural harvests in recent years, the comparative grain and cotton returns dropped. The increase in peasants' income was relatively slow. Governments at all levels must attach a high degree of importance to the problem; they must strengthen leadership over and give more support to rural economic development; they must increase peasants' income by developing the rural economy and by appropriately increasing purchase prices for grain and cotton; and they must vigorously develop the tertiary industry to provide more job opportunities in urban and rural areas. State enterprises must increase the incomes of staff and workers by improving economic returns. A new wage system has been implemented for state functionaries, and it must be gradually improved. Housing construction must be sped up in a planned way in conjunction with the housing system reform in urban areas; the focal point of the work is to build a group of residences at medium or low prices for the people in an attempt to improve their housing conditions. Now, the masses in some impoverished and some disaster-hit areas and the staff and workers of enterprises with poor economic efficiency that have partially or completely halted production are still leading relatively difficult lives; and retired people's actual incomes have decreased somewhat. Governments at all levels must show special concern for them, and take positive measures to help them solve difficulties. We must uphold the policy of encouraging some areas and people to become prosperous ahead of others through honest labor and lawful business, and encourage those who have become prosperous ahead of others to bring along and help those who have lagged behind so as to gradually achieve common prosperity. Meanwhile, we must regulate excessive income gaps through a policy of rational distribution and the regulatory role of taxes.

Fellow deputies, family planning and environmental protection are basic national policies. Though we have scored great achievements in carrying out the family planning task, its development is uneven and some achievements are not adequately consolidated. It is still necessary for us to make continued, vigorous efforts to successfully handle the task; we must not slacken our efforts in the slightest degree. We must further improve the system of responsibility for attaining given objectives and strictly implement family planning policies, laws, and regulations. We must practically step up propaganda and education among grass-roots units and particularly

at the village level, and improve services for them; and we must conscientiously study and solve new problems cropping up under the new situation. In conducting family planning work, we must put the stress on the rural areas and the floating population and we must satisfactorily integrate family planning work with economic development, universal education, and the efforts to shake off poverty and achieve prosperity.

Governments at all levels must include environmental protection in economic and social development programs; they must persist in mapping out plans for economic, urban and rural, and environmental construction; in carrying out the plans; and in achieving development in these fields of endeavor at the same time. They must carry out comprehensive treatment of urban and rural environments, they must strengthen supervision and inspection in accordance with laws, they must rationally exploit and protect natural resources, and they must make vigorous afforestation efforts to improve China's ecology.

III. Speeding Up the Establishment of a Socialist Market Economic Structure.

The general blueprint formulated by the Third Plenary Session of the 14th CPC Central Committee for the establishment of a socialist market economic structure is the program for action in further deepening reform. This year, we should combine package reform with breakthroughs in key areas to achieve substantive progress in reform of the economic structure. We should conscientiously implement the plan for fiscal and taxation reform and rationalize the distribution of revenues between the central and local authorities and between the state and enterprises. The main contents of the fiscal and taxation systems reform are to change the current local fiscal contractual responsibility system to a tax assignment system [fen shui zhi] on the basis of a rational division of power between central and local authorities. We will divide the revenue between the central and local authorities according to different categories of taxes and establish a separate taxation system for the central and local authorities. In the taxation system reform, we should establish a turnover tax [liu zhuan shui] based mainly on a value added tax. We will unify the taxes on domestic-funded enterprises and the individual income tax. Meanwhile, we will reform the system of distributing state-owned enterprises' profits. The reform plan takes into full account both the need of a gradual increase in the central authorities' financial resources and, at the same time, the interests of local authorities and the enterprises' current operational situation, which is conducive to bringing the initiative of both the central and local authorities into full play. This is a practical and feasible plan. Governments at various levels should take the overall situation into consideration and ensure the reform plan's smooth implementation.

At present, state finances are faced with some difficulties. With the economy's development and the fiscal and taxation systems reform, state revenues will increase

steadily. However, it will take some time to alleviate the financial difficulties. This year, due to the fact that the government has to spend a relatively large amount of money to repay both capital and interest on domestic and external debts, tighten financial burdens on enterprises, carry out commodity prices reform and increase wages, there will be more factors of decreasing revenues and increasing expenditures. The central government deficit will be fairly large. The fiscal and taxation departments are required to strictly enforce the levying and management of taxes and to strive to increase financial revenues. In expenditures, we should adhere to the principle of belt tightening and strengthening budget control. Various localities should strive to achieve a balance in their revenues and expenditures and avoid deficits. The central government will solve its deficit by issuing state bonds this year and will no longer make overdrafts from banks. The state plans to give favorable treatment to those who purchase state bonds. This is a good thing that will benefit the country and the people. It is hoped that people across the country will enthusiastically purchase state bonds to support national construction.

We will steadily carry out the banking system reform and realize the unification of foreign exchange rates smoothly. With the socialist market economy's development, banking will play an increasingly important role in the national economy. We should steadily promote the banking system's reform and establish an effective system of macroeconomic regulation and control by the central bank, so that the People's Bank of China can effectively control the currency supply and stabilize the currency's value. We should actively and properly separate the functions of policy-lending banks from those of commercial banks. In addition to the establishment of a National Construction Bank, we will establish the China Import-Export Bank to support the import and export of whole sets of equipment. We will also establish the China Agricultural Development Bank, which will be responsible for the state's grain and oil reserve, the contractual procurement of agricultural and sideline products, and agricultural development. The existing state-owned specialized banks should gradually change themselves into state-owned commercial banks. Governments at various levels should support bank work and make it possible for banks to independently perform their functions and duties. Banks should consciously implement the state policy of macroeconomic regulations and control and establish self-regulating mechanisms.

China's economy is in a period of rapid growth; therefore, a shortage of funds will exist for a long time to come. Over the last two years, the total amount of currency and credit has increased sharply. However, because the economy has developed rapidly and the scale of construction has been excessively large, the contradiction between the supply of and demand for funds is still very prominent. This year we should strive to maintain an appropriate scale of currency issuance and credit, and prevent investment from swelling. At the same time, we

should continue to improve the investment structure, rectify the financial order, tighten account settling discipline, take positive measures to break debt chains between enterprises, and improve the effectiveness of fund utilization.

Linking the quoted price of renminbi to the foreign exchange regulation market is a reform measure of great significance. This will play an important role in linking the domestic and overseas markets, and in broadening the scope of opening to the outside world. We should strictly implement the management system for settling both import and export charges with full payment in foreign exchange, and tighten the management of revenue and expenditure of (?capital-related) foreign exchange to prevent losses of foreign exchange. We should further develop and improve the foreign exchange market. The People's Bank of China should strengthen its foreign exchange market management, provide services to both the supply and demand sides, regulate supply and demand, and stabilize foreign exchange rates.

We should transform the operating mechanisms of state-owned enterprises and search for effective ways to establish a modern enterprise system. Large- and medium-sized state-owned enterprises are the mainstay of the national economy; the reform of state-owned enterprises is both the focus and difficult part of the economic reform. The fundamental way to increase the vitality of large- and medium-sized state-owned enterprises is to deepen reform; transform enterprise operating mechanisms; and establish a modern enterprise system under which the property rights as well as the rights and responsibilities of enterprises are clearly defined, government administration and enterprise management are separated, and scientific management is established. Establishing a modern enterprise system is definitely a requisite for developing socialized mass production and a market economy. This is difficult and complicated work. This year, the state will organize a number of large- and medium-sized state-owned enterprises, according to the Company Law, to experiment with establishing a modern enterprise system in order to accumulate experiences, and popularize them step by step.

We should continue to actively advance the reform of the social security system to ease the burden of enterprises in undertaking social welfare projects and to create conditions for enterprises to participate in market competition on an equal footing.

In the face of enterprise reform, we should continue to transform enterprises' operating mechanisms; truly give enterprises all their rights and responsibilities; continue to deepen the reform of enterprises' labor, personnel, and distribution systems; refine their internal mechanisms; and increase their vitality. We should truly strengthen the management of state-owned assets, do a good job in appraising fixed assets and circulating funds, and ensure that state-owned assets maintain and

increase their value. We should strictly prohibit state-owned assets from being used at a low price as company shares, being sold at low prices, or even being given to individuals as gifts.

We should further straighten out price relationships and develop and foster a market system. Over the last decade and more, with little social shock, we have basically decontrolled commodity prices. Our reform has been successful. This year we will also appropriately adjust the prices of grain, cotton, and energy in order to rally peasants' production enthusiasm, to support the development of the energy industry, and to promote the conservation of energy.

In carrying out price reform, we should consider enterprises' and the masses' ability to cope with the consequences. We should work positively to make an overall arrangement and conduct the work in a positive and steady manner. Governments at all levels and relevant social sectors should make joint efforts to keep the increase of this year's retail prices within 10 percent.

We should pay special attention to controlling the increase in the prices of basic consumer products and in the fees for services that are closely related to the masses' daily lives. We should continue to implement the major responsibility system and ensure the success of the vegetable basket project to stabilize non-staple food prices in urban and rural areas.

We must deepen the restructuring of the circulatory [liu tong] system and expedite the consolidation and development of the domestic markets. While continuing to develop and improve the commodity markets, we must actively develop the domestic production-factors markets, perfect market regulations, improve market order, strengthen market management and supervision, and protect consumers' legitimate rights and interests by punishing according to law all acts of producing or selling counterfeit and inferior goods.

We must continue to do a good job in restructuring government institutions and earnestly change government functions. Over the past year, the State Council's institutional restructuring proceeded quite smoothly. All departments have basically completed their assignments of designating responsibilities of specific organs and staffing them according to authorized sizes. This year, we will continue to work hard to change the functions of government departments and improve their working efficiency; provincial-level governments should basically complete restructuring their organs, and the governments of some cities and counties should also start restructuring their organs. We must persist in separating the government functions from enterprise management, let enterprises handle all the affairs within their operating autonomy, and let the market solve those problems which it should solve itself. We should give full play to the services of intermediary market organizations, such as trade associations and chambers of commerce, and improve the statistical work and administrative and

auditing supervision. The government should primarily play the role of providing proper macroeconomic regulation and control, overall coordination, and social management [she hui guan li]. Cadres at all levels, especially leading cadres, must strive to study market economics and keep abreast with major reform projects, policies, laws, and regulations so that they can improve their leadership, and take greater initiative and be less reckless while doing their work. The State Council has decided to set up a state institute of administration to intensify the training of medium- and high-ranking public functionaries.

This year, major strides of reform have been made in establishing a socialist market economic structure. To make sure that the reform can proceed smoothly, governments at all levels must place greater efforts on reform, organize various projects meticulously, provide overall coordination, and provide reform with guidance through the media as well as by means of publicity and education.

Fellow deputies: Making greater efforts to build an efficient and clean government and fighting all phenomena of corruption is a basic task in building our political power and an important guarantee for the smooth progress of reform and development. Since last year, successes to varying degrees have been achieved in fighting corruption and promoting clean government with respect to disciplinary actions taken by cadres themselves to promote honesty, the major cases that have been investigated and handled, and efforts made by various professions and trade to stop unhealthy tendencies. During the new year, governments at all levels must not in the least slacken their efforts in this regard. We must understand the urgency, formidability, and complexity of the anticorruption struggle; fully depend on the masses; deal with the root causes as well as the symptoms; and strive to achieve new success. Government functionaries, especially leading cadres at various levels, must keep firmly in mind that the power in our hands is from the people. Seeking personal benefits by abusing power is totally against the objective of the people's government, and it is totally incongruous with China's socialist system. Introducing the principles for commodity exchange into state organs and government activities and trading power for money are absolutely not permissible because it is an act which has seriously distorted the principles governing socialist market economy.

We must continue to intensify the crackdown on such serious cases as abusing power for personal benefit, corruption, bribery, dereliction of duty, and malfeasance, as well as smuggling; and we must punish those lawless, undisciplined, and corrupt elements according to law. By no means must we tolerate them, otherwise we would have abetted them. We must oppose extravagance and waste, fraud, formalism, and bureaucratism; and firmly stop the unhealthy tendencies in various trades and professions. Through deepening reform, we must

improve our legal system and establish effective supervisory and restraining mechanisms so that we can guard against and eliminate corruption institutionally. Cadres at all levels must uphold the thinking of serving the people wholeheartedly; do their work honestly, diligently, and conscientiously with self-discipline; strive to improve efficiency, maintain flesh-and-blood ties with the masses, and, under the leadership of party committees at all levels, carry out this anticorruption struggle, which has a close bearing on the state's survival, in a deep-going and sustained manner. [applause]

IV. Developing Scientific, Technological, Educational, and Cultural Undertakings

Developing scientific and technological, educational, and cultural undertakings and strengthening the building of socialist spiritual civilization are important aspects of modernization as well as important guarantees for the smooth progress of reform, opening up, and economic construction. While concentrating on economic construction, we should also attach great importance to reform and development in these spheres. It is necessary to promote the close integration of science and technology with the economy. Science and technology is a primary productive force. Economic construction must rely on science and technology. Scientific and technological work must be geared to the needs of economic construction. This year, we will comprehensively implement the Scientific and Technological Advancement Law; increase investment in science and technology; manage well new- and high-technology industrial development zones; transform scientific and technological results into practical productive forces; implement the principle of holding fast to one end and leaving the whole field open; give vigorous support to basic, applied, and new- and high-technology research; encourage cooperation between scientific and technological development institutes and enterprises so that they will compete aggressively on the market and enhance their own development vitality. Scientific development and application should be focused on equipping all sectors of the national economy with advanced technology. In particular, we should address such urgent scientific and technological problems as developing a high-yield, high-quality, and high-efficiency agriculture; bringing about enterprises' technical transformation; converting military industrial enterprises to civilian production; and assimilating and renovating advanced technologies from abroad. Activities in ecological innovation and offering rationalization suggestions should be extensively conducted among the people. Great efforts should be made to foster a technology market, to set up intermediate organizations for technological development, and to effectively protect intellectual property rights. We should concentrate our efforts on managing well the existing state new- and high-technology industrial development zones so that they will play an exemplary role and create a radiating effect in promoting technological progress, transforming traditional industries, and developing new industries.

This year, in basic, new, and high-technology research, we should continue to select and tackle a number of key scientific and technological problems that have a profound and far-reaching influence on the scientific and technological development of the next century. To promote the development of engineering science and technology in our country, the State Council has decided to establish the China Engineering College, and preparations are under way in this respect. We should do a good job of educational reform and development. Modernization depends on the improvement of people's quality and the training of qualified personnel. Governments at all levels should show foresight and a sense of urgency, earnestly implement China's program for educational reform and development, and give strategic consideration to developing education on a priority basis. They should quicken the pace of educational reform, earnestly increase input in education, strengthen the management of educational funds, and promote the development of educational services. Governments at all levels should economize in other areas and perform some practical deeds for education in every possible way. In educational reform, we should focus on revamping the educational structure and on improving the quality of instruction and the efficiency of running schools. Schools of all types should implement the principle of promoting development in an all-round way—morally, intellectually, and physically. They should strengthen and improve moral education; pay attention to education in national conditions, in the prevailing situation, and in our fine traditions; and nurture a new type of citizen who has high ideals, moral integrity, better education, and a strong sense of discipline.

Primary and middle-school education is the basis of universal education. Basically universalizing nine-year compulsory education and basically eradicating illiteracy among young and middle-aged people are important tasks for the nineties, which must be carried out conscientiously and effectively. We should pay attention to admitting into school rural school-age children, strive to reduce the school dropout rate, mobilize resources in society to carry forward Project Hope, take practical measures to lighten students' excessive burdens, and change the way students engage in studies for the sole purpose of coping with examinations. We should fully inspire the initiative of all social sectors to use modern means of transmission, such as radio and television, to vigorously develop vocational education, adult education, and all types of social education; gradually accomplish the goal of providing training to people before they are employed and report to duty; and train large numbers of professionally trained people and skilled workers. In some localities, we should appropriately increase the proportion of vocational education in compulsory education. In higher education, we should change the system of running schools; actively but steadily and properly reform the systems of school admissions, fee collection, and employment for graduates; readjust the academic disciplines structure; and strengthen internal management. Moreover, we should establish a number of key

institutions of higher education and academic disciplines. We should seriously implement the Teachers' Law, give full scope to the teacher's role, make great efforts to improve teachers' salaries, and foster the good custom of respecting teachers and stressing education in all of society.

We should actively create an environment and conditions favorable to fully exploiting people's talent and to bringing out large numbers of qualified people. We should gradually form a mechanism to facilitate the rational flow of qualified people; integrate the active training of qualified people with the rational employment of such people; continue to improve the working and living conditions of intellectuals; pay attention to training and employing young and middle-aged intellectuals; continue the principles of supporting overseas studies, encouraging students studying abroad to return to their home country, and allowing them to come and go freely; and encourage qualified overseas people to serve the motherland through various means.

We should promote the flourishing of socialist culture. We should adhere to the orientation of serving the people and socialism and the principle of letting a hundred flowers bloom and a hundred schools of thought contend; vigorously enhance our fine national culture; advance socialist culture with Chinese characteristics; and further develop literature, arts, the press, publishing, radio, film, television, and other undertakings to enrich people's spiritual lives and arouse their initiative to plunge themselves into socialist modernization. We must actively press ahead with reform of the culture management structure, enhance the vitality of cultural undertakings to advance, perfect economic policies related to culture, and correctly handle the relationship between social and economic benefits of spiritual works, placing social benefits at the top. Governments at all levels should support and help, with due emphasis, those fine literature and art creations and public-minded cultural undertakings that need support. We must step up the protection of cultural relics; attach importance to building libraries, cultural galleries, museums, science and technology centers, and archives; popularize putonghua [Mandarin]; promote the standardization of the written and spoken language; strengthen grass-roots cultural work; and do a good job of promoting cultural activities in enterprises, campuses, communities, and the vast countryside to enliven the cultural life of both urban and rural people. We must strengthen the management of cultural markets in accordance with the law and use rich, colorful, and healthy spiritual works to enliven cultural markets.

Develop cultural cooperation and exchanges with the outside world. While absorbing the fruits of civilization of all countries in the world, we must actively introduce to the world the Chinese nation's fine culture. Cultural workers shoulder the glorious mission of advancing socialist culture. They should go deep among the masses and into reality to publicize in a big way the main theme, eulogize advanced figures who work hard and keep

forging ahead in a pioneering spirit and with selfless dedication, and strive to create outstanding works which are positive in content; which reflect socialist modernization, reform, and opening up; and which are worthy of our great times.

We will promote public health and physical culture. In public health work we should persistently put prevention first. This year, we will continue to carry out experiments in the reform of the medical insurance system in selected urban areas; expand rural cooperative medical services by adopting the method of integrating voluntary participation by peasants with mutual aid among them; establish a sound three-level health care network embracing counties, townships, and villages; stabilize the number of medical personnel in rural areas; and realize, step by step, the goal of enabling everyone to enjoy primary health care. We will attach importance to prevention and control of endemic diseases, occupational diseases, and infectious diseases which seriously jeopardize people's health; and give full play to the advantages of traditional medicine and tighten control over the production and sale of pharmaceuticals. The masses of medical personnel should provide good-quality service by carrying forward the lofty professional ethics of healing the wounded and rescuing the dying.

We will actively explore ways to reform the management system of physical culture in the new period and launch extensive mass sports activities to improve the people's physical fitness. Athletes must work hard to achieve good results at the 12th Asian Games and at other international competitions.

Deputies, here I want to specially emphasize the necessity of adhering to the principle of fostering both material progress and cultural and ideological progress and of attaching importance to both in the entire process of reform, opening to the outside world, and the modernization drive, and to strengthen the building of a socialist spiritual civilization. The building of a socialist spiritual civilization includes improvements in the fields of education, science, culture, ideology, and ethics, and is embodied in the economic, political, and cultural spheres and in social life. It is the common duty of all fronts and all departments to strengthen the building of a spiritual civilization. In ideological construction, we should focus on arming the people of the country with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. The publication of Volume 3 of the *Selected Works of Deng Xiaoping* was an important event in the political life in China. We must study them conscientiously and implement them in line with actual conditions. Comrade Jiang Zemin said: It is necessary to arm people with a scientific theory, to guide people with correct mass media, to influence people with a noble spirit, and to encourage people with outstanding works of literature and art. It is necessary to strengthen research in philosophy and the social sciences under the guidance of Marxism and Mao Zedong Thought; attach importance to the role of philosophy and the social

sciences; and unremittingly carry out education on patriotism, collectivism, and socialism. The power of examples is inexhaustible. We should vigorously commend heroes and models on all fronts, learn from Xu Hongguang's noble spirit of daring to take up the cudgels for a just cause and of fearing no brute force, as well as his heroic behavior, and publicize this Lei Feng spirit in the new period. [applause] We should take advantage of political-ideological work to guide people, especially the young people, in fostering correct ideals, a correct outlook on life, and correct values; strengthen education on professional and social ethics; and oppose money worship, extreme individualism, and a decadent lifestyle, so as to foster good social practice.

V. Strengthening the Building of Socialist Democracy and the Legal System.

Developing socialist democracy and perfecting the socialist legal system are important components in building socialism with Chinese characteristics. This year we will achieve new progress, ensure the smooth progress of reform and development, and promote all-round social progress.

We should continue to strengthen the building of socialist democracy. Reform, opening up, and modernization are the undertakings of hundreds of millions of people. We must rely wholeheartedly on the working class and the broad masses of people, fully develop democracy, and bring the initiative of the masses into play and successfully protect and guide it. We must bring democracy into full play. Governments at all levels must establish a sound democratic, scientific, decisionmaking system, listen with an open mind to views from all quarters, draw on collective wisdom and absorb all useful ideas, and constantly raise our decisionmaking standards. We must consciously accept supervision of the people's congress and its standing committee at the corresponding level and supervision by the broad masses of people. We must further bring into play the roles of the Chinese People's Political Consultative Conference, democratic parties, and nonparty people in political consultation and democratic supervision. We must attach importance to the roles of trade unions, the Communist Youth League, women's federations, and other mass organizations as bridges and links. We must give play to the supervisory role of public opinion, attach importance to letters and visits by the masses, and learn about grasping people's feelings by opening and unclogging a multitude of channels. We must continue to strengthen the building of political power at the grass-roots level, perfect the democratic management system in enterprises and the urban neighborhood and village self-management system, perfect the democratic supervision system, and ensure that citizens' legitimate rights and interests are not encroached upon.

We must attach great importance to building the socialist legal system. The establishment and perfection of a socialist market economic structure relies on a comprehensive legal system to provide a safeguard. Since the

start of reform and opening up, the NPC and its Standing Committee have speeded up the pace of legislation. A large number of important laws have, one after another, been promulgated for enforcement to provide a legal basis for work in all fields. Governments at all levels must learn to use legal means to manage the economy and society. All government personnel must conduct official business in accordance with the law and resolutely rectify the phenomena that laws are ignored or not strictly enforced and that law-breaking is not dealt with, so as to safeguard the dignity of the law.

This year, we will step up the enactment of a number of administrative laws, strengthen the building of a law-enforcement contingent, raise law enforcement standards, strengthen and improve law enforcement supervision, establish and develop legal service organizations, and train a large number of qualified legal personnel to meet the needs of building the legal system. We must continue to conduct in-depth education about the legal system and disseminate legal knowledge among the entire citizenry, especially among cadres at all levels, to improve the sense of the legal system throughout society.

Conscientiously improving all facets of public security represents a strong desire of the people and a major responsibility of governments at all levels. It is the top-priority task of all law-enforcement departments to maintain stable public order this year. We must do our work in four areas: 1) Combating various criminal activities that jeopardize people's lives, property, and safety, and that disrupt modernization, in accordance with the law; 2) investigating and sternly dealing with major and important cases, punishing economic criminals in accordance with the law, and continuing the struggle against smuggling; 3) waging a deep-going struggle to ban prostitution, the practice of patronizing prostitutes, the abduction and sale of women and children, and drug abuse and smuggling; and eliminating the six vices and pornography; 4) strengthening the ranks of public security and judicial personnel, improving the quality of such personnel, and bolstering public security forces. Government at all levels should make comprehensive improvement of public order a major, regular task and strictly enforce a system of leadership responsibility. It is necessary to concentrate efforts on dealing with or to launch specific crackdowns on those criminal offenses and repulsive social phenomena about which the people have complained bitterly. We should properly handle the contradictions within the people and mediate civil disputes in a timely manner in order to provide against possible trouble. We should uphold the principle of integrating specialized departments with mass work and enlist the participation of all to ensure that measures for comprehensive improvement of public order are implemented at the grass-roots level and to create a fine social environment conducive to economic construction in which the people can live and work in peace and contentment.

Fellow deputies: China is a unified, multinational country. Strengthening national unity is in the interests

of people of all nationalities in the country, and it is our common aspiration. Chairman Mao Zedong once said: The unification of our country, the unity of our people, and the unity of our various nationalities—these are the basic guarantees of the sure triumph of our cause. Reform, opening up, and the modernization drive have created a situation never before seen in our country for consolidating and developing our socialist national relationships in a spirit of equality, unity, and mutual assistance, as well as for promoting common prosperity. Primarily for historical, geographical, and social reasons, certain minority regions are still quite economically undeveloped today. It will take more time before we can change this situation once and for all. It is the responsibility of governments at all levels to expedite the minority regions' economic development and social progress, as well as the common mission of people of all nationalities in the country. Through carrying out reforms and opening up and with state support and assistance from economically developed regions, minority regions certainly can bring their own strengths into play, become more vital in developing their economies, and gradually reduce the difference with economically developed regions and achieve prosperity with them together.

We must comprehensively carry out policies for minority nationalities, uphold and improve the system for regional national autonomy, safeguard autonomous regions' rights to autonomy and national equality, safeguard national unity and our motherland's unification, and oppose national division [fan dui min zu fen lie]. We must comprehensively and correctly implement the policy governing religions, strengthen the management of religious affairs according to law, actively guide religions to adapt to socialist society, and lead people with and without religious beliefs and people of different religious denominations to respect each other, get along harmoniously with each other, and work hard in unity for the modernization of our great socialist motherland.

To safeguard our country's security, we must intensify the modernization of our national defense. China follows a strategy of active defense [ji ji fang yu di zhan lue]. Guided by Mao Zedong's Military Thought and Deng Xiaoping Thought for army building in the new period [deng xiao ping xin shi qi jun dui jian she si xiang], the Chinese People's Liberation Army [PLA] has strived to make a success of all military construction and reform projects and follow the path with Chinese characteristics of building crack troops, in light of the general requirement put forth by Comrade Jiang Zemin that the PLA must be politically qualified, militarily toughened, remarkable in work style, strict in discipline, and assured of adequate logistical support. The PLA must vigorously carry forward the fine traditions of the People's Army, intensify its ideological and political work, and firmly attend to military training so as to strengthen its capacity for fighting battles and defending the country in modern warfare. The PLA must also actively support reform, opening up, and local economic construction. Governments at all levels must be concerned with national

defense construction and give the military the support it needs to accomplish its missions. We must persistently educate the people on national defense so as to heighten the whole nation's awareness of national defense. It is necessary to extensively carry out activities of supporting the government and cherishing the people and of supporting the Army, giving preferential treatment to families of revolutionary soldiers and martyrs, and safeguard soldiers' legitimate rights and interests in order to consolidate and develop army-government and army-people unity. Earnest efforts must be made to improve the militia and reserve service, build stronger reserve forces, and build a stronger people's armed police and public security forces so as to safeguard national security and social stability.

VI. Actively Promote the Motherland's Peaceful Reunification.

In the new year, we should continue to follow unswervingly the policy of peaceful reunification and "one country, two systems," and work actively to promote the great cause of reunifying the motherland.

The day is drawing near when China will resume its exercise of sovereignty over Hong Kong and Macao. The Chinese Government will, as always, go on preparing for a smooth transfer of government and a smooth transition in both places, in accordance with the Basic Law of the Hong Kong Special Administrative Region [HKSAR], the Basic Law of the Macao Special Administrative Region, and relevant resolutions of the NPC and its Standing Committee. China and Portugal have cooperated well on the question of Macao. However, the talks between the representatives of the Chinese Government and the British Government on arrangements for 1994/1995 elections in Hong Kong have terminated, the responsibility of which rests completely with the British side.

In accordance with the Basic Law of the HKSAR and the decision of the NPC Standing Committee, the Preliminary Working Committee [PWC] for the Preparatory Committee of the Hong Kong Special Administrative Region has begun its work. The PWC's work is demanding and its responsibility heavy. It is hoped that the PWC will live up to the expectations and trust of the whole nation by uniting with Hong Kong compatriots on the broadest possible basis and doing good preparatory work for the first government and legislature of the HKSAR. [applause]

The Chinese Government and people have the determination and ability to resume the exercise of sovereignty over Hong Kong on schedule and to maintain Hong Kong's long-term stability and prosperity. British colonial rule in Hong Kong will soon come to an end, and cannot be stopped by any forces. [applause]

As a result of the coordinated efforts of people on both sides of the strait, cross-strait economic cooperation and trade grew continuously and personnel exchanges and exchanges in the fields of culture, science, technology,

sports, and so forth further increased last year. A preliminary understanding was reached in talks of a functional nature. We maintain that, under the principle of one China, differences between the two sides of the strait should be settled through increased contacts and consultations. It is the common aspiration of all Chinese people to realize the peaceful reunification of the motherland, and any act or attempt of secession, no matter in what form, runs counter to the fundamental interests of the Chinese nation and will be in vain. We place high hopes on the Taiwan authorities and still higher hopes on the people of Taiwan. We hope the Taiwan side will attach great importance to the overall interests of the nation and join us in developing relations across the strait and working for the peaceful reunification of the motherland.

VII. On Diplomatic Work.

The world today is in the process of complicated and profound changes. The world is moving noticeably toward multipolarity. In general, the international situation is becoming more relaxed, and development is now a more prominent issue. Economics is becoming a dominant factor in the development of international relations. Peoples around the world share a common aspiration for the relaxation of tensions, cooperation, development, and progress. However, the world is far from tranquil. Many regions are in turmoil or suffering from endless war and chaos. Hegemonism and power politics remain. The major tasks for the international community are still to maintain world peace and promote economic development. In this complicated and changing international situation, China has unswervingly pursued an independent foreign policy of peace and has made fresh progress in its diplomatic work. It has continuously expanded its friendly relations and cooperation with other countries, and its international prestige has steadily grown. It has played an important role in maintaining world peace and promoting economic development. We have friends all over the globe.

China has further strengthened good-neighborly and friendly relations with surrounding countries. China's relations with the ROK and the DPRK have continued to grow. China's mutually beneficial and cooperative relations with Japan, Russia, and the ROK have expanded continuously. Meanwhile, our friendly relations and cooperation with other Asian nations, as well as developing countries in Africa, Latin America, and the South Pacific region have also developed further. Relations between China and the West European countries and the European Community have further improved. Sino-German relations have entered a new stage of development and a new chapter has been opened in Sino-French relations. There are broad prospects for economic cooperation and trade between China and the West European countries, and so long as the two sides work hard together, bilateral relations between China and each of the West European countries will continue to be consolidated and to grow. The maintenance of normal and stable Sino-U.S. relations not only accords with the vital interests of the two people but also benefits the

stability and development of the Asia-Pacific region and the world as a whole. We should consider Sino-U.S. relations from a global perspective, looking beyond this century. We stand for resolving differences on the basis of mutual respect and through dialogue. Sino-U.S. relations will be improved and expanded continually so long as the various principles laid down in the three Sino-U.S. joint communiques are strictly observed to increase trust, reduce trouble, develop cooperation, and avoid confrontation.

As a permanent member of the UN Security Council, China has actively participated in international affairs and played a positive role in such matters as settling international disputes through peaceful means, protecting the environment, and promoting social progress.

The Fourth World Women's Congress will be convened in Beijing in 1995. The Chinese Government and people are preparing for this event. China stands for expanded economic cooperation and trade among nations and for enhanced south-south cooperation and north-south dialogue. It advocates the complete prohibition and destruction of all weapons of mass destruction, including nuclear weapons, proposes that all nuclear powers conclude a treaty undertaking not to be the first to use nuclear weapons and, supports the effort to conclude a comprehensive nuclear test ban treaty through negotiations. China does not engage in the arms race, nor does it participate in any military bloc or seek a sphere of influence. It supports the idea of conducting dialogues on matters of security and cooperation in Asia and the Pacific and has made contributions to that end.

No matter how the world situation changes, China will not swerve from its position of upholding the five principles of peaceful coexistence, nor will it change its policy of developing friendly relations and cooperation with countries of the world and strengthening solidarity and cooperation with the vast number of developing countries. Ours is a diversified world. It is essential to recognize the differences among nations in their social systems, ideologies, cultures, traditions, national characteristics, and religious beliefs, to respect each other, cooperate with each other for their mutual benefit, and develop state-to-state relations on the basis of the universally recognized norms of international relations.

China attaches importance to human rights and is willing to participate, on an equal footing, in discussions on the human rights issue in the international community. However, we will by no means allow anyone to interfere in China's internal affairs under any pretense. [applause]

The Chinese Government supports a resolution recently adopted by the UN Commission on Human Rights denouncing certain countries for putting pressure on developing countries in this regard.

Deputies, I would like to tell you a news dispatch we have just received. In a vote yesterday evening by the

UN Commission on Human Rights, an anti-China motion raised by some countries met with failure once again. [applause]

This fully demonstrates how unpopular it is to use the human rights issue to oppose China. Here, on behalf of the Chinese Government and people, I would like to express my heartfelt thanks to all countries which upheld justice and supported China. [applause]

China is against hegemonism in any form. China is not seeking hegemony now, and it will not seek hegemony in the future when its economy is developed. China will never be a threat to any country or region and will always be a reliable force for the preservation of regional and world peace. The Chinese people will continue to work hard together with all other peoples around the world to establish a new international political and economic order that is just and reasonable, to maintain world peace, and to promote common development. [applause]

Deputies, to build a strong China and bring prosperity to the people is the common aspiration of people of all nationalities across the country. The current situation is excellent and we have a rare opportunity. In the new year, we should, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the leadership of the CPC Central Committee with Comrade Jiang Zemin as the nucleus, unswervingly carry out the party's basic line, strengthen the great unity of people of all nationalities across the country, and work hard together with one heart and one mind to win a fresh victory in the reform, opening up, and modernization drive. [applause]

XINHUA Runs Highlights of Li Peng Report

Reviews 1993 Achievements

OW1003012794 Beijing XINHUA in English 0118
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—China enjoyed economic growth, political stability, unity among the nationalities and social progress in a turbulent and volatile international environment and amid a worldwide economic recession in 1993, Premier Li Peng said here today.

In his report on government work delivered to the current session of the Eighth National People's Congress, Li Peng reviewed China's achievements in reform, opening to the outside world and modernization drive last year.

In 1993 China's economy continued to expand vigorously. The gross domestic product exceeded three trillion yuan, representing an increase of 13.4 percent over the 1992 figure. Good harvests were reaped and the added value of agricultural output increased by four percent. Except for a drop in the output of cotton and sugar-yielding crops, the output of major farm products increased considerably. The added value of industrial

output increased by 21.1 percent, and the output of major industrial products rose enormously.

He said the domestic market was brisk, the pattern of investment improved, more funds were used on key projects and the construction of projects in energy, transport and telecommunications advanced apace.

In view of the conspicuous contradictions and problems that cropped up in the course of rapid economic growth, the Chinese Communist Party Central Committee and the State Council took prompt macro-control measures to restore financial order, stabilize the economy and maintain sound development. This created the necessary conditions for sustained development and smooth progress of the reform in the present year and also helped accumulate valuable experience in exercising macro-control under conditions of a socialist market economy.

Referring to the progress of economic restructuring last year, Li said China deepened the reform of enterprises, continuing to concentrate on changing the way they operate and gradually giving them more decision-making power. The state-owned and collectively owned economic sectors developed, and so did the privately owned sector and the sector with foreign investment, Li Peng noted.

China rationalized price relations and for the most part, lifted controls over the purchasing and selling prices of grain. China accelerated the development of markets for the basic means of production, including capital, labor, land, technology and information. China has also drawn up plans for reform of finance, taxation, banking, investment and foreign trade and began to implement them smoothly.

Over the last year the country continued to open wider to the outside world. Foreign trade expanded in all fields, with the volume of imports and exports increased by 18.2 percent over the 1992 figure.

Achievements were scored in the fields of science and technology, education, sports, literature and art, the press and publishing, radio, film and television, social sciences, public health, pharmaceutical production, family planning, environmental protection and the prevention and control of natural disasters. Further efforts were made to improve the comprehensive management of public security. Achievements were also scored in national defense. Socialist cultural and ideological progress were promoted and socialist democracy and the legal system improved.

He pointed out the living standards of urban and rural people continued to improve after allowing for price rises. Last year the average income of city dwellers per capita increased by 10.2 percent over the 1992 figure. The average per capita income of people in the countryside increased by 3.2 percent. Consumption level of both city and country people rose steadily, and their cultural life was continually enriched.

In his report, Li Peng also mentioned the major contradictions and problems in the midst of progress, such as excessive investment in fixed assets, a fairly sharp rise in prices, irrational economic structure, and some state-owned large and medium-sized enterprises having difficulties with production and operation.

In some areas public order is poor, and not enough has been done to combat social evils. The corrupt practices of a few government functionaries, such as embezzlement, fraud, accepting bribes and bending the law for personal gains, and formalism and bureaucratism in government organs have impaired the close ties between the government and the people. The party central committee and the State Council regard these as serious problems and are making every effort to solve them, Li said.

Discusses Reform, Development, Stability

OW1003013294 Beijing XINHUA in English 0123
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Chinese Premier Li Peng stressed today the importance of correctly handling relations among reform, economic development and social stability.

"Economic development is the center of all our work, reform and opening up are the motive force of development, and development and reform are the foundation of long-term social and political stability in China; and social stability, in turn, is a prerequisite for economic development and smooth progress in reform," the premier said.

Li expounded the relationship in his report on government work which he delivered at the first meeting of the Second Plenary Session of the Eighth National People's Congress (NPC).

The premier said that China is now presented with a rare historical opportunity and that the work of governments at all levels should be subordinate to and serve the endeavor of seizing opportunities, deepening reform, opening China wider to the outside world, promoting development, and maintaining social stability.

Li called on governments at all levels "to do a good job in every field of endeavor, identify and solve problems promptly and ensure that reform, development and stability are coordinated and promote each other." Only by so doing, he said, can China win one victory after another in its drive for socialist modernization.

Principles for Economic Work

OW1003013794 Beijing XINHUA in English 0131
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—The Chinese Government has set the growth rate of China's GDP for 1994 at nine per cent, Premier Li Peng said here today.

"It is an appropriate speed after the country's GDP has increased by 13 per cent for two consecutive years," he said. "It would be an outstanding achievement if we can keep the GDP growing at eight or nine per cent for a few more years."

Delivering a government work report at the National People's Congress today, Premier Li stressed China will make its best to maintain a vigorous and steady growth rate. Local authorities should set reasonable growth rates for their respective economies in accordance with their own conditions and not vie with each other or concentrate exclusively on raising output value.

On principles for economic work this year, Li Peng said, China will carry out reform in depth.

Progress in Economic Restructuring

OW1003015094 Beijing XINHUA in English 0141
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—China will try to achieve substantial progress in restructuring the economy in 1994 by making some breakthroughs in some areas while pressing ahead with the whole project of establishing a socialist market economy.

Chinese Premier Li Peng made this remark today in his government work report to the second session of the Eighth National People's Congress, which opened here today.

According to the premier, the economic restructuring this year mainly covers the reform of finance and taxation systems, banking system, the changing of the operating mechanism for state-owned enterprises with a view to establishing a modern enterprise system, and the pricing system.

The implementation of the plan for the reform of finance and taxation system is aiming at rationalizing the distribution of revenues between the central and local authorities and between the state and enterprises, Li Peng said. Li defined the plan as feasible because it provides for a gradual increase in the financial resources of the central authorities and at the same time takes into full consideration the interests of local authorities and enterprises, thus encouraging both central and local initiative.

Governments at all levels should take the interests of the whole into account and ensure that the plan for reform is carried out smoothly.

The steady reform of the banking system aims to establish a strong macro-control system under which the central bank regulates the supply of currency and stabilizes its value. In addition, Li added, the functions of commercial banks should be separated from those of non-commercial ones. In this aspect, the government is to establish the National Development Bank, the Import-Export Bank of China and the Agricultural

Development Bank of China. The special state banks should be changed gradually into commercial state banks.

Early this year China unified its official rate of exchange of RMB with the market rate. Li Peng called for strict control over total income for exports and outgo for imports and over international repayments of capital to prevent loss of foreign exchange. The People's Bank of China should tighten its control over the market, facilitating buying and selling, regulating the supply of foreign exchange when necessary and preventing drastic fluctuations in the rates.

According to Li Peng, the government is currently in financial straits and it will take a certain amount of time to alleviate the difficulties. This year there is still a fairly large deficit in the central budget as the government has to repay both capital and interest on many domestic and external debts, lighten financial burden on state enterprises, carry out price reform and increase wages. However, he noted, the deficit of the central government would be made up by issuing bonds instead of overdrawing on the bank again. "This year we will try not to issue too much currency and credit, so as to prevent investment from swelling," Li added.

Referring to the pricing reform, Li Peng said that this year the prices of grain, cotton and energy will be adjusted to rationalize price relations. In reforming the pricing system, the government should take into full consideration the tolerance capacities of the state, enterprises and the masses, make an overall plan and carry it out steadily.

He stated that governments at all levels and relevant sectors of society should make joint efforts to keep retail prices from rising more than 10 percent; in particular, they should try to control the rise of prices for basic consumer goods and services that are closely related to the well-being of the people.

The reform of state-owned enterprises is the central and most difficult task in the reform of the economic structure, Li Peng said. The fundamental way to reinvigorate state enterprises is to deepen the reform, change the way they operate and establish a modern enterprise system, under which the property rights and responsibilities of the enterprises are clearly defined, the functions of the government are separated from those of the enterprises and the enterprises are managed in a scientific way.

On reforming the structure of government institutions and changing their functions, Li Peng said the State Council this year will introduce the system of public service, further alter the functions of government institutions and raise their efficiency. At the same time, institutional restructuring will be completed in most provincial governments and started in a number of county governments.

To carry on the struggle against corruption for a long time to come is a matter of life and death for the nation

and an important means of guaranteeing the smooth advance of reform and economic development, Li Peng said.

Government functionaries should bear in mind that the abuse of the power in their hands for personal gains is diametrically opposed, Li concluded.

Discusses Science, Education, Culture

OW1003015594 Beijing XINHUA in English 0146
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Chinese Premier Li Peng today emphasized the importance of reforming and developing undertakings for science and technology, education and culture.

Delivering a government work report to the Second Session of the Eighth National People's Congress here today, Li Peng said that while closely integrating science and technology with the economy, this year it is imperative to fully enforce the scientific and technological advances law and increase investment in this field, make a success of the areas that set aside for developing industries that use high and new technologies, and turn research results into commercial products as soon as possible.

"We should energetically support researches on both basic and applied sciences and researches on high and new technologies, and encourage institutes of science and technology to associate with enterprises," Li said.

"In our effort to develop science and technology and apply research results, we should focus on equipping all sectors of the economy with advanced technologies. In particular, we should address such urgent problems as developing a highly efficient agriculture that provides greater and better yields, updating enterprises, converting defense industries to civilian production, and assimilating and improving upon advanced technologies from abroad," he added.

Great efforts should be made to foster markets for technology, to set up intermediate organizations for technological development and to protect intellectual property rights.

In researches on basic science and on high and new technologies, this year the country will select a number of key projects that can exert a far-reaching influence on advances in the next century and organize people to undertake them. The State Council has decided to establish the Chinese Academy of Engineering.

On educational reform, the premier said that emphasis should be placed on adjusting the educational structure, improving instruction and raising the overall efficiency of schools.

An important task that must be successfully accomplished in the 1990s is to make nine-year compulsory

education universal and to eliminate illiteracy among young and middle-aged people.

Li Peng also elaborated on primary and secondary education, vocational education, adult education and higher education.

In his report, the premier reiterated that continued efforts should be made to improve the working and living conditions of intellectuals, to train and employ young and middle-aged intellectuals and to implement the policy of permitting people to study abroad, encouraging them to return home and allowing them to come and go freely, and encouraging capable Chinese living abroad to serve the motherland in various ways.

Speaking on development of cultural undertakings, Li Peng said that more attention should be paid to the social benefits and consequences of cultural products than to their economic returns.

"We should tighten control over markets for cultural products, in accordance with the law, and provide them with varied and healthy cultural products," Li said.

Li emphasized that throughout the whole process of reform, the opening up and the modernization drive, it is necessary to give equal importance to economic development and development of socialist culture and ideology.

In his report the premier also stressed the promotion of public health and sports.

Discusses Peaceful Reunification

OW1003020494 Beijing XINHUA in English 0151
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—No matter what happens, the Chinese Government and people are determined and able to resume the exercise of sovereignty over Hong Kong as scheduled and to ensure long-term stability and prosperity there, Chinese Premier Li Peng said here today.

Delivering his government work report at the second session of the Eighth National People's Congress, Li said that British colonial rule in Hong Kong is coming to an end and that no force can stop that.

The day is drawing near when China will resume its exercise of sovereignty over Hong Kong and Macao, he said. As it has been doing all along, the Chinese Government will go on preparing for a smooth transition and smooth transfer of government in both places, in accordance with the Basic Law of the Hong Kong Special Administrative Region, the Basic Law of the Macao Special Administrative Region and relevant resolutions of the National People's Congress and its Standing Committee, the premier said.

Li noted China and Portugal have cooperated well on the question of Macao. However, talks between the representatives of the Chinese Government and the British

Government on arrangements for 1994/1995 elections in Hong Kong have terminated, a consequence for which the British side must bear full responsibility.

In accordance with the Basic Law of the Hong Kong Special Administrative Region and the decision of the Standing Committee of the National People's Congress, he said, the preliminary working committee for the Preparatory Committee of the Hong Kong Special Administrative Region has begun its work. Li urged the preliminary working committee to unite with Hong Kong compatriots on the broadest basis and do good preparatory work for the Hong Kong Special Administrative Region and its first government and legislature.

In the part of his report subtitled "Promoting the Peaceful Reunification of the Motherland," Li said China shall follow unswervingly the principle of "peaceful reunification and one country, two systems."

After reviewing the progress of relations between the two sides across the Taiwan Straits, Li Peng said, "we maintain that differences between the two sides of the Taiwan Straits should be settled through increased contacts and consultations."

"It is the common aspiration of all the Chinese people to achieve peaceful reunification of the motherland, any act or attempted act of secession, no matter in what form, will be in vain," he said.

Li Peng said, "we place high hopes on the Taiwan authorities and still higher hopes on the people of Taiwan. We hope the Taiwan side will attach great importance to the overall interests of the nation and join us in developing relations across the straits and working for peaceful reunification."

Figures, Facts Released

OW1003024994 Beijing XINHUA in English 0241
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Following are major figures and facts contained in the government work report delivered today by Chinese Premier Li Peng at the ongoing session of the National People's Congress:

- China's gross domestic product (GDP) rose 13.4 percent in 1993 over 1992;
- The added value of agricultural output increased four percent and grain production reached 456.4 million tons in 1993;
- The added value of industrial output shot up 21.1 percent and steel production totaled 88.68 million tons;
- Total retail sales of consumer goods grew 11.6 percent after allowing for price rises;
- Power generating capacity increased by 14.38 million kilowatts;

- 3.67 million telephone sets were installed for urban and rural households;
- Direct foreign investment in China amounted to 25.8 billion U.S. dollars;
- Imports and exports totaled 195.8 billion U.S. Dollars in 1993, up 18.2 percent over 1992;
- China achieved significant results in more than 30,000 scientific and technological projects. A number of projects, such as the Galaxy-II supercomputer and the Dawn-I robot, meet advanced world standards;
- Chinese athletes won 103 world championships in major international sports events;
- After allowing for price rises, last year per-capita income of urban residents increased 10.2 percent, and per-capita net income of rural residents 3.2 percent;
- Bank savings deposits of urban and rural residents amounted to 1,476.4 billion yuan at the end of 1993, up 28 percent;
- In 1993, 270 million square meters of housing floor space were added for the urban population and 570 million square meters built in rural areas;
- In 1994, the growth rate of the GDP has been set at nine percent;
- This year the state will provide active support for 500 counties that are large producers of commercial grain, 150 counties that are large producers of quality cotton, and a number of demonstration areas that are in the process of developing a highly efficient type of farming that offers greater and better yields;
- The government will keep retail price hike for the whole of 1994 under ten percent;
- The State Council has decided that, starting from this year, state-owned enterprises will be exempt from payment of energy and transportation development funds and from payment of budget regulatory funds, and that special funds will be allocated for the reorganization of bankrupt enterprises and the resettlement of their workers and staff;
- In the use of financial and material resources, priority will be given to projects that are under construction in transportation, telecommunications, energy and important raw materials sectors, and to key projects for harnessing big rivers and lakes;
- Coastal regions are encouraged to invest in the central and western regions to help develop resources there by taking advantage of the local workforce;
- No approval will be given this year to the establishment of any new development areas;
- The government will establish a national development bank that will provide a stable source of funds for basic and key construction projects;
- Increase farmers' income by providing more support for the rural economy and appropriately raising the purchasing prices of grain and cotton;
- A new wage system for public servants is to be introduced;
- Priority will be given in 1994 to the construction of urban housing, especially medium- and low-priced units;
- Exercise necessary regulations over too sharp income disparities by way of rational wealth distribution and taxation policies;
- Family planning is to be focused on the rural population and the migrating population in cities and towns;
- Local governments should try to achieve a balance of payments and avoid a deficit in their finances. The deficit of the central government will be made up by issuing bonds instead of overdrawing on the bank again;
- The government will set up the Import-Export Bank of China for the import and export of complete sets of equipment, and the Agricultural Development Bank of China to provide funds for the state purchase of grain and cooking oil to be held in reserve, for contractual purchase of farm and sideline products, and for agricultural development;
- Foreign investors will be encouraged to channel their investments into basic industries and infrastructure;
- Foreign debt should be restricted to an appropriate amount and a rational debt structure maintained;
- The State Council has decided to establish a Chinese Academy of Engineering; and
- The State Council has decided to establish an institute of state administration to provide better training for middle- and high-level public servants.

Discusses Diplomacy, Human Rights

OW1003025494 Beijing XINHUA in English 0234
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Chinese Premier Li Peng said today that no matter how the international arena changes, China will uphold the five principles of peaceful coexistence and develop friendly relations and cooperation with the rest of the world.

Li Peng made the remark here while delivering a government work report to the annual session of the Eighth National People's Congress.

China will always be a reliable force for the preservation of regional and world peace and will never seek hegemony, Li added.

In his report, the premier elaborated on the current international situation, the relationship between China and other countries and China's principled stands on many major international issues.

On the international situation, Li Peng said that the world is moving increasingly towards multipolarity. In general, the international situation is becoming more relaxed, and development is now a more prominent issue. Economic interest is becoming a primary consideration in international relations. Peoples around the world share a common aspiration for the relaxation of tensions, cooperation, development and progress.

However, the world is far from tranquil. The major tasks for the international community are still to maintain world peace and promote economic development, Li added.

He said, "in this complicated and changing international situation, China has unswervingly pursued an independent foreign policy of peace and has made fresh progress in its diplomatic work. It has continuously expanded its friendly relations and cooperation with other countries, and its prestige has steadily grown. It has played an important role in maintaining world peace and promoting economic development."

Recalling the further strengthened good-neighborly relations with surrounding countries, the premier said the friendship between China and the Democratic People's Republic of Korea has grown. The mutually beneficial cooperation with Japan, Russia and the Republic of Korea has been steadily expanded. China has also made new progress in its relations with countries in Southeast, South and Central Asia.

At the same time, Li said, China's friendly relations and cooperation with other Asian countries and with the great number of developing countries in Africa, Latin America and the South Pacific have developed further.

Li Peng said that relations between China and the West European countries and the European Community have again been improved. Sino-German relations have entered a new stage of development and a new chapter has been opened in Sino-French relations. There are broad prospects for economic cooperation and trade between China and the west European countries, and so long as the two sides work together, bilateral relations between China and each of those countries will continue to grow.

Normal and stable relations between China and the United States not only serve the fundamental interests of the two peoples but also contribute to peace and stability in the Asia-Pacific region and in the world at large, Li Peng said.

He said, "we should consider these relations from a global perspective, looking beyond this century. We maintain that differences should be settled through dialogue on the basis of mutual respect. So long as the principles stipulated in the three Sino-U.S. joint communiques are strictly abided by and efforts are made to enhance confidence, reduce trouble, expand cooperation and avoid confrontation, Sino-U.S. relations will continue to improve and expand."

As a permanent member of the U.N. Security Council, Li Peng said, China has actively participated in international affairs and played a positive role in such matters as settling international disputes through peaceful means, protecting the environment and promoting social progress.

China stands for expanded economic cooperation and trade, enhanced South-South cooperation and North-South dialogue. It advocates the complete prohibition and destruction of all weapons of mass destruction, including nuclear weapons, proposes that all nuclear powers conclude a treaty undertaking not to be the first to use such weapons and supports the effort to conclude a comprehensive test ban treaty through negotiations, Li Peng said.

China does not engage in the arms race, nor does it participate in any military bloc or seek a sphere of influence. It supports the idea of conducting dialogues on matters of security and cooperation in Asia and the Pacific and has made contributions to that end.

Li Peng pointed out that no matter how the international arena changes, China will not swerve from its position of upholding the five principles of peaceful coexistence, nor will it change its policy of developing friendly relations and cooperation with other developing countries.

"Ours is a diversified world. It is essential for countries to recognize the differences in their social systems, ideologies, cultures, traditions, national characteristics and religious beliefs, to respect each other, cooperate with each other for their mutual benefit and develop state-to-state relations on the basis of the universally recognized norms.

On human rights issue, Li said China values human rights and is willing to discuss the matter with other members of the international community on the basis of mutual equality. However, it will never allow anyone to interfere in its internal affairs under any pretext. The Chinese Government supports the latest resolution adopted by the United Nations Commission on Human Rights denouncing certain countries for putting pressure on the developing countries in this regard.

He said the Chinese people will continue to work together with all other peoples around the world to establish a new international political order and a new international economic order that are just and equitable, to maintain world peace and to promote common development.

Discusses UN Human Rights Commission Vote

OW1003031894 Beijing XINHUA in English 0306
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Delivering his government work report at a plenary session of the National People's Congress (NPC) here this morning, Chinese Premier Li Peng announced that the United Nations Commission on Human Rights has just rejected an anti-China motion.

"This shows that to attack China by using the human rights issue is unpopular," he said, to a thunderous applause from the NPC deputies.

The premier said, "deputies, I would like to tell you a just-received news dispatch. In a vote yesterday evening by the U.N. Human Rights Commission, an anti-China motion raised by some countries met with failure once again. This shows convincingly that it is unpopular to attack China by using the human rights issue. Here, I would like to express my heartfelt thanks to all justice-upholding countries for their support to China on behalf of the Chinese Government and people."

The premier said, "China values human rights and is willing to discuss the matter with other members of the international community on the basis of mutual equality."

"However, it will never allow anyone to interfere in its internal affairs under any pretext," he said.

The Chinese Government supports a latest resolution adopted by the U.N. Commission on Human Rights denouncing certain countries for putting pressure on developing countries in this regard, he added.

Summarizes Report

OW1003032094 Beijing XINHUA in English 0304
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Chinese Premier Li Peng said that China will maintain its economic growth momentum in 1994, a crucial year for the country's economic reforms.

The central government has set the growth rate of China's national economy in 1994 at nine percent, he said.

In his 16,000-word report on government work he delivered today at the Second Session of the Eighth National People's Congress (NPC), the premier called for a good handling of relations among reform, economic development and social stability.

Li's government work report consists of seven parts. They are: a review of 1993 domestic work and basic principles for work in 1994; maintaining a steady, rapid and sound development of the national economy; speeding up the establishment of a socialist market

economy; expanding scientific and technological undertakings and promoting education and culture; strengthening socialist democracy and the legal system; actively promoting the peaceful reunification of China; and diplomatic work.

The government work report devotes two-fifths of its length to economic work and reform in 1994.

On economic work in 1994, according to Li Peng, the government will: deepen reform, open wider to the outside world, strengthen and improve macroeconomic controls, restructure the economy, promote technological progress, explore new markets, improve economic efficiency, keep inflation under control, and maintain a sustainable, rapid and [word indistinct] of the economy.

Li Peng said that the planned 1994 growth rate of nine percent for the national economy is realistic given the fact that the country has seen a growth rate of 13 percent in the past two consecutive years.

The premier reiterated the fundamental status of agriculture in the economy. He called for continued implementation of existing rural policies, deepening rural reform, solving problems that arise in the process of rural economic development, and trying every means possible to boost the income of farmers.

Li emphasized the importance of improving transport and manufacturing industries, especially in terms of the management and production of large- and medium-sized state-owned enterprises, saying this is of vital importance for a sustained development of the national economy.

Noting that some large- and medium-sized state enterprises have a rough time nowadays, Li called for all social quarters to take positive measures to help them solve their problems.

Li stressed that investment should be maintained at a rational scale, urging all localities and government departments to devote their funds and materials preferentially to key projects now under construction in the sectors of transportation, telecommunications, energy, essential raw materials and the harnessing of large rivers and lakes. He said that the government encourages coastal areas to invest in central and western parts of the country. To rein in the investment scale, the premier said, the central government will not approve the establishment of any new economic development zones in 1994.

On the country's open policy, Li said that attention should be paid to making existing open areas perform better, which include special economic zones, Shanghai's Pudong, open coastal cities and regions, and economic and technological development zones. Major cities along the country's borders, along the Chang Jiang River and in the country's hinterland should be opened wider to the rest of the world, he said.

The premier in his report expounded China's reform measures in 1994, which have attracted wide attention at home and abroad. Li called the resolution of the Third Plenary Session of the 14th National Congress of the Communist Party of China (CPC) "a common program of action for continued in-depth reforms," which he said has served as an overall blueprint for the establishment of a socialist market economy in China.

This year's reform, which will combine breakthroughs in key areas with overall progress, is expected to score substantial progress in restructuring the economy, he said.

The government report dwells on taxation and finance reform, establishment of a modern enterprise system, rationalization of price relations and reform of the government structure.

Talking about financial difficulties faced by the government, Li said that deficit of the central government will be made up by issuing bonds instead of overdrawing on the bank again; the central bank will regulate money supply and stabilize the value of the yuan; and the government will keep inflation for the whole of 1994 under ten percent.

Li said that science and technology should be integrated closely with the economy and that reform of the education system should be accelerated with more funds to be put into education. He urged people to develop socialist culture and pay more attention to the social benefits and consequences of cultural products than to their economic returns.

New achievements should be made in developing socialist democracy and strengthening the legal system so as to ensure a smooth progression of economic reform, a healthy economic development and an all-round social progress, he said.

Li said that the most important task for public security, procuratorial and judicial organs this year is to maintain public order. He said that the government will continue to crack down on crimes and social evils. Fights against special types of crime will be combined with anti-crime campaigns, he said.

The last two parts of Li's government work report deal with the principles of peaceful reunification of China and "one country, two systems," and China's independent diplomatic policy of peace.

Spells Out Principles for Economic Work

OW1003034894 Beijing XINHUA in English 0335
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—The Chinese Government has set the growth rate of China's GDP [gross domestic product] for 1994 at nine per cent, Premier Li Peng said here today.

"It is an appropriate speed after the country's GDP has increased by 13 per cent for two consecutive years," he said. "It would be an outstanding achievement if we can keep the GDP growing at eight or nine per cent for a few more years."

Delivering a government work report at the National People's Congress today, Premier Li stressed China will make its best to maintain a vigorous and steady growth rate. Local authorities should set reasonable growth rates for their respective economies in accordance with their own conditions and not vie with each other or concentrate exclusively on raising output value.

On principles for economic work this year, Li Peng said, China will carry out reform in depth and width, open wider, strengthen macroeconomic controls, vigorously readjust its economic structure, promote technological progress, open more markets, improve economic performance, curb inflation, and maintain a steady, rapid and sound development of its national economy.

He called for strengthening agriculture as the economic base, developing the rural economy in an all-round way, encouraging further development of rural enterprises, and increasing peasants' income.

The central government, Li Peng said, will adopt the following measures to support agricultural development and protect peasant's interests: to raise the purchasing prices of grain and cotton; increase investment in agriculture by both the central and local governments; stabilize grain prices; assist 500 counties that are large producers of commercial grain, 150 counties that are large producers of quality cotton, and a number of demonstration areas that are engaged in developing a highly efficient type of farming that provides greater and better yields; and continue to support the development of township and village enterprises, especially in central and western regions.

Li Peng said it is an objective requirement and inevitable trend of economic development for surplus labor to shift from farming to non-agricultural occupations and to move from one place to another in a rational manner. "We should provide guidance for such shifts, strengthen their management and organize them in a systematic way."

To ensure a sustained development of the national economy, Li said, it is important to improve transportation and manufacturing industries with priority given to large and medium-sized state enterprises.

The State Council has decided that, starting from this year, state enterprises will be exempt from payment of energy and transportation development funds and from payment of budget regulatory funds, and that special funds will be allocated for the reorganization of bankrupt enterprises and the resettlement of their workers and administrative staff, he said.

He noted that an important condition for maintaining economic stability and continued development is that investment must be controlled at a rational scale. Since enough construction projects are under way and considerable investment is planned for this year, no further expansion will be permitted. "With regard even to basic industries and infrastructural projects, we should not undertake more than we can afford," he said.

All local authorities and departments should make rational arrangements for the use of financial and material resources. Projects to be supported should be selected on the basis of overall national interest. First should come projects already under construction in transportation, telecommunications, energy and important raw materials sectors, and key projects for harnessing big rivers and lakes.

No approval will be given this year to the establishment of any new development areas. Henceforth no capital construction projects will be launched unless they meet certain conditions.

On open policy implementation, Premier Li Peng said attention should be paid to improving the performance of existing open areas—special economic zones, Shanghai's Pudong, open coastal cities and regions, and economic and technological development zones. "At the same time, we should open wider major cities along borders, along the Chang Jiang River and in the interior, and improve our work in these places," he said.

"To maintain and expand foreign investment influx, we should further better the environment for such investment and improve related laws and regulations. We should protect the legitimate rights and interests of enterprises with exclusive foreign investment and use the government's industrial policies to channel such investment into basic industries and infrastructure," he said.

Li said China will continue to raise the people's living standards and improve housing conditions on the basis of economic [passage missing]

He said it is necessary to keep to the policy of encouraging some areas and individuals to prosper first through honest work and encouraging them to help others do so, in order to gradually achieve common prosperity. "At the same time, we should exercise necessary regulations over extremely sharp income disparities by way of rational wealth distribution and taxation policies," he said.

Top Leaders Speak in Lounge Prior to Opening of NPC Session

OW1003144294 Beijing XINHUA in English 1430
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Qiao Shi, chairman of the National People's Congress Standing Committee, shook hands with Vice President Rong Yiren as soon as he entered a lounge in the Great Hall of

the People shortly before the current session of the National People's Congress opened this morning.

Qiao sat down beside Mr. Ann Tse-kai, a vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). He asked whether Mr. Ann is used to living in Beijing after coming from Hong Kong.

Qiao began talking with Ann about the issue of resuming China's sovereignty over Hong Kong. "Our stand has been consistent on the Hong Kong question," he said.

"The British side should be held entirely responsible for the breakdown of the Sino-British talks on the Hong Kong question," Qiao said.

"We shall never waver in our determination to resume China's sovereignty over Hong Kong in 1997," he said.

Speaking of the current NPC session, Qiao Shi pledged to speed up legislation, tighten supervision over government work and standardize a socialist market economic structure.

At 8:50 A.M., President Jiang Zemin entered the lounge and sat down beside Li Ruihuan, chairman of the CPPCC National Committee. The two leaders talked about how to promote ideological and cultural progress in China.

They were soon joined by Vice Premier and Foreign Minister Qian Qichen, who told president Jiang: "The United Nations Commission on Human Rights has voted down an anti-China motion raised by some countries."

Jiang said, "It is unpopular to attack China by using the human rights issue. We should justly and forcefully refute such attacks."

Premier Li Peng, who had just come in, said, "I'm going to state our stand on this matter in the government work report."

President Jiang said: "Right!" Speaking of the current NPC session, Jiang said, "At present the overall situation in China is excellent. All major policies and principles have been formulated. The key to success lies in earnest, concerted endeavors by people of all nationalities."

Shortly before leaving for the rostrum to deliver his government work report, premier Li Peng told reporters that Deng Xiaoping has always advocated concise, pragmatic reports.

"This year's government work report highlights reform, economic development and social stability," he said.

"I hope that, during the current session, NPC deputies and CPPCC National Committee members will speak their minds and air their views on how to revise my report," he said.

The premier was joined by Li Ruihuan, who said: "Reform serves as the motive force, development is our goal and stability is a prerequisite."

"So long as we correctly handle relations between reform, development and stability, and work hard and in unity, we will be invincible," he added.

Spokesman Briefs Press on NPC Session

OW0903140094 Beijing XINHUA Domestic Service in Chinese 1220 GMT 9 Mar 94

[By correspondents Li Anding (2621 1344 1353) and Wu Ming (0702 2494)]

[Text] Beijing, 9 Mar (XINHUA)—Zhou Jue, spokesman for the Second Session of the Eighth National People's Congress [NPC], held the first news briefing at the Great Hall of the People today during which time he briefed approximately 1,000 Chinese and foreign correspondents on the Second Session of the Eighth NPC scheduled to open tomorrow.

Zhou Jue first welcomed the Chinese and foreign correspondents to cover the session. He stated: Although the current session is a regular meeting, it is very important. It is being held during an important period when our country is proceeding on all fronts in reforming its economic structure with breakthroughs in key areas, and when it is accelerating the pace of establishing a socialist market economic system.

In response to a question on how to quicken legislative work and promote the operation of the market economic system, Zhou Jue answered: As empowered by the Constitution, the NPC and its Standing Committee have always made legislative work, especially economic-related legislative work, a priority. Since the First Session of the Eighth NPC, the NPC and its Standing Committee have enacted 21 laws, of which 12 concern the establishment of a socialist market economic system.

Zhou Jue added: During its eighth term, the NPC will fully implement the guidelines of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee; will quicken the legislative process; and will endeavor to complete the better part of the legal framework for the socialist market economy under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and on the basis of the Constitution. Moreover, it will basically improve the legal systems in other areas. These are important and glorious tasks.

A correspondent asked: Legislative work is now being accelerated, but some departments have failed to strictly enforce the law. How will the NPC tighten supervision in this regard?

Zhou Jue replied: Supervising law enforcement and government work is an important duty entrusted to the NPC and its Standing Committee by the Constitution.

Over the past year, the eighth NPC Standing Committee exercised close supervision over law enforcement and government work, bearing in mind the state's priority tasks and the issues of concern to the people. The NPC Standing Committee sent 10 inspection teams to 15 provinces, autonomous regions, and municipalities directly under the central government to assess work in comprehensively improving public order and in punishing those who produced and sold counterfeit and substandard commodities. The NPC's special committees also sent 27 inspection teams to assess progress in implementing 15 laws.

Zhou Jue stated: The NPC Standing Committee also heard reports by relevant departments of the State Council and by the Supreme People's Procuratorate [SPP] on banking, foreign trade, education, the promotion of a clean and honest government, and civil aviation work. While listening to work reports by the SPP and relevant departments, the NPC Standing Committee affirmed and supported the work done by various government departments and the SPP in investigating major cases of importance and in fighting corruption. After having heard a report on civil aviation work, the NPC Standing Committee required departments of the Civil Aviation Administration to earnestly strengthen control, to improve the quality of their personnel and services, and to improve civil aviation work as quickly as possible.

Zhou Jue added: In the future, the NPC and its Standing Committee will continue to strengthen supervision over and examination of law enforcement and government work so as to exercise in a better manner the authority vested in them by the Constitution.

A correspondent asked: What significance does the promulgation of the "Law on the Protection of Investments by Taiwan Compatriots" have on expanding cross-strait economic exchanges and trade?

Zhou Jue replied: The Sixth Meeting of the Eighth NPC Standing Committee just examined and approved the "Law on the Protection of Investments by Taiwan Compatriots." Cross-strait economic relations and trade have now become even closer, and investments by Taiwanese businessmen on the mainland have increased by a large margin. However, "three direct links" have not been established yet. Under the circumstances, it is necessary to formulate a law on the protection of investments by Taiwan compatriots in order to provide adequate legal protection for their investments on the mainland.

Zhou Jue stated: The main contents of the law on the protection of investments by Taiwan compatriots include the personal safety of Taiwan compatriots who have invested in the mainland, and the protection of their investments and their investment returns; the protection of Taiwan-invested enterprises from being requisitioned; the need to adopt compensational measures to protect their legitimate rights and interests in case such

requisitions are necessitated on account of public interests according to law; and the government-stipulated preferential treatment to which Taiwan investors are entitled.

Zhou Jue stressed: The formulation of the law fully shows a high degree of importance attached by us to Taiwan compatriots' investment-related rights and interests. It also shows our sincerity for developing cross-strait economic contacts and trade. He expressed the belief that the law will surely be welcomed by the broad masses of Taiwan compatriots, and will play a very important role in promoting cross-strait economic exchanges, trade, and cooperation.

A correspondent asked whether Taiwan has suggested that an "agreement on the protection of investments" be signed, and does this have anything to do with the "Law on the Protection of Investments by Taiwan Compatriots."

Zhou Jue answered: Investments on the mainland by Taiwan compatriots are a special kind of domestic investment. Therefore, investments by Taiwanese compatriots can only be protected by a domestic law. Taiwan is an inseparable part of Chinese territory. Relations between the central government and Taiwan are relations between a central government and a locality. It is out of the question that the two sides may sign any "agreement." Speaking about Hong Kong, Zhou Jue stated: It is entirely because of the uncooperative attitude taken by the British in sabotaging the talks that such talks between the Chinese and British Governments regarding arrangements for elections in Hong Kong in 1994/1995 have broken down. The responsibility is entirely on the British. In accordance with the Sino-British Joint Declaration, the Chinese Government will resume the exercise of its sovereignty over Hong Kong on 1 July 1997. Therefore, the three-tier political structure for Hong Kong will be terminated with the end of British rule. Beginning 1 July 1997, the political framework of the Hong Kong Special Administrative Region will be formed according to the decision of the NPC and the relevant stipulations of the Basic Law.

Zhou Jue reiterated that Hong Kong will soon return to the embrace of the motherland. No force whatsoever can stop this. The Chinese Government and people have full confidence and ability to resume the exercise of China's sovereignty over Hong Kong on time; to implement the principle of "one country, two systems"; and to carry out the Basic Law in order to realize a smooth transition and to maintain long-term prosperity and stability in Hong Kong.

Asked about whether Deng Xiaoping will attend tomorrow's session, Zhou Jue said: Comrade Deng Xiaoping is the chief architect of China's reform, opening up, and socialist modernization drive; as well as the founder of the theory of building socialism with Chinese characteristics, which is the Marxism in contemporary China. He enjoys the love and esteem of the Chinese people of all

nationalities. You will know whether he will attend the session when it opens tomorrow.

Deng Xiaoping Appears on Namelist of NPC Presidium

OW0903134094 Beijing XINHUA Domestic Service in Chinese 1302 GMT 9 Mar 94

[Text] Beijing, 9 Mar (XINHUA)—Namelist of the Presidium and the Secretary-General of the Second Session of the Eighth National People's Congress [NPC]

Adopted by the Preparatory Meeting for the Second Session of the Eighth NPC on 9 March 1994

Presidium (163 members in the order of the number of strokes of surnames):

Ding Guangen, Dao Aimin (Dai), Yu Yongbo (Man), Yu Shizhi [0060 2508 0037], Ma Man-kei, Ma Sizhong (Hui), Wang Bingqian, Wang Hanbin, Wang Guangying, Wang Weishan (Mongolian), Wang Chaowen (Miao), Wang Qun, Wei Yu (female, Zhuang), Mao Dongsheng, Mao Zhiyong, Kang Longtian, Fang Huijian, Deng Xiaoping, Aisihaiti Kelimubai (Kazakh), Buhe (Mongolian), Lu Gongxun, Lu Jiaxi, Ye Gongqi, Tian Jiyun, Tian Qiyu, Tian Fuda (Gaoshan), Shi Laihe, Sengqen Lozong Gyaincain (Tibetan), Bai Qingcai, Qu Geping, Zhu Shibao, Zhu Liang, Qiao Shi, Ren Xianchun (Yao), Ren Jiyu, Quan Shuren, Liu Fusheng, Liu Changyu (female), Liu Huaqing, Liu Guoguang, Liu Mingzu, Guan Shanyue, Jiang Zemin, Ruan Chongwu, Sun Qimeng, Sun Honglie, Sun Weiben, Su Xiaoyun (Tujia), Li Changchun, Li Xianyou (Hani), Li Hou, Li Keqiang, Li Peiyao, Li Zemin, Li Shaozhen (female), Li Zhen, Li Denghai, Li Ruihuan, Li Ximing, Li Hao, Yang Feng (Naxi), Yang Wengui (Li), Yang Daidi (female, Yi), Yang Baibing, Yang Rudai, Yang Jike, Yang Chugui (female, Dong), Yang Xizong, Yang Ming (Bai), Yang Taifang, Wu Renbao, Wu Bangguo, Wu Jieping, He Zhukang, He Kang, Yu Qiuli, Shen Daren, Zhang Wannian, Zhang Xingrang, Zhang Kehui, Zhang Yanning, Zhang Jianmin (Man), Zhang Xuwu, Zhang Zhen, Lu Wenfu, Lu Zaide, Amudun Niyaz (Uigur), Chen Sheng, Chen Guangjian, Chen Zuolin, Chen Xitong, Chen Zhangliang, Chen Shunli, Chen Muhua (female), Chen Suiheng, Lin Lanying (female), Lin Liyun (female), Lin Ruo, Luo Shangcai (Bouyei), Pagbalha Geleg Namgyai (Tibetan), Zhou Zhengqing, Zhou Nan, Zhou Jue, Zhou Guanwu, Meng Liankun, Meng Fulin, Zhao Dongwan, Zhao Zisen, Hao Yichun (female), Rong Yiren, Hu Jintao, Liu Suinian, Jiang Chunyun, Huanjuecailang [1360 3635 2088 6745] (Tibetan), Fei Ziwen, Fei Xiaotong, He Guanghui, Qin Jiwei, Raidi (Tibetan), Geng Zhaojie, Jia Qingling, Jia Zhijie, Gu Songfen, Dunzhuduoji [7319 3796 1122 0679] (Tibetan), Tomur Dawamat (Uigur), Ni Zhifu, Xu Caidong, Gao Dezhan, Gao Chao, Tang Peizhu (female, Zhuang), Tao Dayong, Cao Longhao (Korean), Cao Zhi, Zhang Shiming, Zhang Ruiying (female), Yan Haiwang, Liang Guangda, Wei Jianxing, Yu Yourui, Peng Shilu, Peng Qingyuan, Dong Jianhua, Hui Yongzheng, Cheng Siyuan, Cheng Weigao,

Fu Quanyou, Fu Tieshan, Pu Chaozhu, Zeng Qinghong, Wen Jiabao, Xie Jun (female), Xie Fei, Xie Tieli, Lan Dingshou (She), Lei Jieqiong (female), Cai Zimin, Liao Hui, Teng Zhaorong (female, Miao), Teng Teng, Yan Longan, Xue Minglun, Xue Ju, and Henry Fok Ying-tung.

Secretary-general:

Tian Jiyun.

RENMIN RIBAO Hails Opening of NPC Session

OW0903143294 Beijing XINHUA Domestic Service in Chinese 1027 GMT 9 Mar 94

[RENMIN RIBAO 10 March editorial: "Discussing Matters of Vital Importance With National Interests in Mind—Congratulating the Opening of the Second Plenary Session of the Eighth National People's Congress"]

[Text] Beijing, 9 Mar (XINHUA)—The Second Plenary Session of the Eighth National People's Congress [NPC] opened in Beijing today.

This meeting is convened at a crucial time in China's reform, opening up, and socialist modernization drive. Since the First Plenary Session of the Eighth National People's Congress, people of all nationalities across the country, under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the nucleus, and persistently taking as their guidance Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as well as the basic line of the party, have implemented the guidelines of 14th CPC National Congress in a comprehensive manner; they have seized the opportunity to intensify reform and speed up development. The CPC Central Committee and State Council took the major step of macroeconomic regulation and control to solve the contradictions and problems in the march forward with noticeable success. The national economy has seen sustained, rapid, and healthy growth [chi xu kuai su jian kang fa zhan 2170 4958 1816 6643 0256 1660 4099 1455]; heartening progress has been made in all undertakings of socialist construction with Chinese characteristics. With the adoption at the Third Plenary Session of the 14th CPC Central Committee of "The Decision of the CPC Central Committee on Some Issues Concerning the Establishment of a Socialist Market Economic Structure" as the hallmark, the reform of China's economic structure has entered a crucial phase of combining package reform with breakthroughs in key areas. Several major reform measures were simultaneously announced earlier this year, and efforts have been increased over the past two months or so to implement these reform plans. Ensuring the faithful implementation of these reform plans with all manner of support represents a gigantic and formidable task. The government work report, as well as other reports to be examined at the current session, will contain specific

plans for attaining this year's tasks. Therefore, the success of this session is of great significance for reform and development in 1994 and thereafter.

Over the past year, China has made remarkable progress in promoting socialist democracy and legality. New progress has been made in the work of the NPC and local people's congresses at all levels. Taking the theory of socialism with Chinese characteristics and the party's basic line as its guidance, and the reinforcement of socialist democracy and the socialist legal system as its fundamental tasks, the NPC Standing Committee has focused on the central task of economic development and has conscientiously performed the functions vested in it by the Constitution. It has done a great deal of fruitful work in strengthening legislative work, in improving the supervisory mechanism, in promoting reform and development, in safeguarding social stability, and so forth. It was a year in which more laws were adopted by the NPC Standing Committee than any other year. Especially noteworthy is the fact that economic legislation has been given top priority in the legislative agenda. A slew of major laws designed to standardize market practices, safeguard order in the marketplace, and increase macroeconomic regulation and control have been promulgated in good time; these laws include the Company Law, the Law Against Unethical Competition, and the Law on Protecting the Rights and Interests of Consumers. These laws have played, and will continue to play, an important function in pushing forward and safeguarding the healthy development of a socialist market economy. A market economy cries for development of the legal system; the legal system safeguards the market economy. As the reform of China's economic structure enters a new stage, development of a socialist democracy and the socialist legal system will also usher in a new phase.

The people's congress system is China's fundamental political system. From the first session of the first NPC in 1954 up until now, China has practiced this system for exactly 40 years. During those 40 years, the NPC has undertaken an unforgettable journey. Since the Third Plenary Session of the 11th CPC Central Committee, the NPC—the supreme organ of state power—has been playing an increasingly important role on the political scene of the state. Practice has shown that the people's congress system was established in line with China's reality; it is a system rooted deeply in China's reality with a long life-force and is a vital component of the socialist political system with Chinese characteristics. In the transition from a planned economy to a socialist market economic structure, the people's congress will play a still greater role as the organ for people to exercise the power of state.

Seizing opportunities, deepening reform, opening up wider to the outside world, expediting development, and ensuring stability are requirements of overall importance for 1994 set by the entire party and the entire country by

the CPC Central Committee. We are faced with formidable tasks of reform and development this year; meanwhile, preserving social and political stability requires us to bring into fuller play under the CPC leadership the role of people's congresses, government, and CPPCC committees at all levels, and to mobilize, unite, and coordinate the efforts of hundreds upon millions of people to ensure the smooth accomplishment of the various tasks. The NPC and people's congresses at all levels will certainly play an important role in properly handling the relationship between reform, development, and stability.

Our forefathers said: "A right moment is hard to come by but easy to let slip. A right moment quickly seized is an opportunity. For this reason, the sage moves at the right moment, and the wise man springs into action at the opportune time." Today, China's socialist modernization drive is faced by a rare, excellent opportunity. Seizing the opportunity, "moving at the right moment," and "springing into action at the opportune time" are crucial to the accomplishment of our goals of struggle. By conscientiously exercising the power entrusted them by the people during the current session, and by speaking their minds freely in discussing matters of vital importance at the current session, the deputies will certainly make important contributions to the accomplishment of the session's agenda.

We wish the NPC session complete success.

Leading Beijing Newspapers Hail NPC Session

OW1003032894 Beijing XINHUA in English 0313
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Leading newspapers in the Chinese capital have begun giving prominent coverage to the convening of the plenary session of the National People's Congress (NPC) by carrying editorials and opening special columns.

In its editorial today entitled "to bear the great undertaking in mind and engage in collective discussions on programs of great importance," the PEOPLE'S DAILY [RENMIN RIBAO] says that China is in a transitional period from central planning to a socialist market economy and that the NPC, as the country's supreme organ of state power, should play a greater role in accelerating national economic development, ensuring social stability and pushing ahead with the reform program now entering a crucial period.

The front page of the daily also carries today a signed article, which calls for nationwide efforts to successfully carry out newly-introduced, more difficult reforms, which it says have a direct bearing on the future of the country.

The LIBERATION ARMY DAILY [JIEFANGJUN RIBAO] editorial, entitled "Strive To Scale Another Peak," says the rank and file of the Chinese People's

Liberation Army have noticed with excitement achievements made by China in reform, economic development and open policy implementation over the past year, which have also helped invigorate army building. Deputies from the army will join their fellow deputies in making the ongoing NPC session "a pragmatic, confidence-boosting conference."

The GUANGMING DAILY [GUANGMING RIBAO], in its editorial entitled "for a still brighter tomorrow," expresses the hope that the NPC would speed up legislation to ensure a smooth progression of reform and open policy implementation.

An editorial of the WORKERS DAILY [GONGREN RIBAO] calls on workers of the country to have a better understanding of relations between reform, economic development and social stability and make still greater contributions to the country's modernization program.

CHINA YOUTH DAILY [ZHONGGUO QINGNIAN BAO] has opened a special column on the NPC session. The daily has also set up a special hotline for NPC deputies and members of the national committee of the Chinese People's Political Consultative Conference.

Li Ruihuan Attends Banquet for Hong Kong NPC Deputies

OW1003080494 Beijing XINHUA Domestic Service in Chinese 1337 GMT 9 Mar 94

[By reporter Sun Yong (1327 0516)]

[Text] Beijing, 9 Mar (XINHUA)—The National Committee of the Chinese People's Political Consultative Conference [CPPCC] and the United Front Work Department of the CPC Central Committee held a banquet this evening at the Diaoyutai State Guesthouse in honor of National People's Congress [NPC] deputies and CPPCC National Committee members from Hong Kong and Macao who came to Beijing to attend the Second Session of the Eighth NPC and the Second Session of the Eighth CPPCC National Committee.

Those attending the banquet included Li Ruihuan, chairman of the CPPCC National Committee; Wang Guangying and Cheng Siyuan, both vice chairmen of the NPC Standing Committee; and Wu Xueqian, Yang Ruidai, Qian Weichang, Sun Fuling, and Henry Fok Ying-tung, all vice chairmen of the CPPCC National Committee.

Ye Xuanping, vice chairman of the CPPCC National Committee, spoke at the banquet. He said: We again gather in Beijing to attend the annual NPC and CPPCC National Committee meetings to discuss the state's affairs and policies, to consult with each other, and to exercise supervision over the government's work. This year's NPC and CPPCC National Committee meetings will be held at a time when the country's reform and opening up are entering a crucial stage. The Third Plenary Session of the 14th CPC Central Committee last

year laid down the objective of quickening the step of building a socialist market economic system; against this background, I hope you would speak freely to make more contributions toward ensuring rapid economic development in a sustained and healthy manner, to preserving political stability, and ensuring Hong Kong's prosperity, stability, and stable transition. Whatever problems Hong Kong may encounter in the future, we have confidence that we can properly handle Hong Kong's affairs.

Ann Tse Kai, vice chairman of the CPPCC National Committee; and He Houhua, a NPC deputy from Macao, also spoke at the banquet. They said in the new year they will closely cooperate with the mainland and will continue to work for the prosperity and stability of Hong Kong and Macao.

The banquet was presided over by Wang Zhaoguo, vice chairman of the CPPCC National Committee.

Tian Jiyun Visits NPC Deputies from Guizhou, Jiangxi

OW1003081994 Beijing XINHUA Domestic Service in Chinese 1411 GMT 9 Mar 94

[By reporter Xu Zhaorong (1776 0340 2637) and Shen Hongbin (3088 5725 0393)]

[Text] Beijing, 9 Mar (XINHUA)—Tian Jiyun, vice chairman of the Standing Committee of the National People's Congress (NPC), this afternoon went to Hongxiang Building to visit NPC deputies of Guizhou and Jiangxi delegations and hold cordial talks with them.

Tian Jiyun had worked in Guizhou Province for 20 years. When he saw old comrades who worked with him before, he intimately chatted with them and asked them to extend his regards to his former colleagues. He said with deep feelings: It seems people's congresses at various levels will need more comrades in their prime in the future to suit the new situation. Now we are establishing a socialist market economic structure, and it is all the more necessary to strengthen the work of legislation and implementation of laws. Therefore, the work of people's congresses will be more and more important and the comrades of people's congresses will have a heavy burden. Tian Jiyun also held that young comrades can temper themselves in legislative work at people's congresses and later work on the frontline of economic work. He said that in this way they could greatly help economic development.

In meeting with deputies of the Jiangxi delegation, Tian Jiyun was very glad after hearing news on the steady development of agricultural production in Jiangxi. He said: Agriculture is the foundation for the overall national economic development. If we stabilize agricultural production, we can have stability in the rural areas; and if we have stability in the rural areas, we can provide a guarantee for the steady development of reform. Touching on Jiangxi's village and town enterprises, Tian

Jiyun said: Village and town enterprises started relatively late in Jiangxi, so it is necessary to catch up with other localities. To get rid of poverty and promote development, agricultural provinces and poor areas must develop village and town enterprises and rely on economic benefits of village and town enterprises.

NPC deputies from Jiangxi also made a report to Tian Jiyun on Jiangxi's progress in adjusting the structure of agricultural production and in promoting agricultural production. Tian Jiyun satisfactorily said: I hope Jiangxi can achieve success in agricultural development.

NPC Delegates From Hong Kong Stress Smooth Transition

OW1003084994 Beijing XINHUA Domestic Service in Chinese 1406 GMT 9 Mar 94

[By reporters Li Nanling 2621 0589 3781 and Zhang Yijun 1728 4135 0193]

[Text] When interviewed by reporters, delegates from Hong Kong attending the Second Session of the Eighth National People's Congress (NPC) said that during the session they would largely be speaking about and discussing the smooth transition of Hong Kong, its prosperity, and its stability, along with reform and development in China, and clean-administration building in the hinterland.

A total of 28 delegates from Hong Kong will attend the NPC meeting. Zeng Xianzi, Wu Kangmin, Liao Yaozhu, all members of the Preliminary Work Organ for the Preparatory Committee of the Hong Kong Special Administrative Region and Hong Kong affairs advisers to the State Council, and Zheng Yaotang, a Hong Kong affairs adviser, were among the delegates who spoke to reporters. As NPC delegates from Hong Kong, each said the territory was their main issue of concern.

Delegate Liao Yaozhu said the heart of the dispute between China and Britain over the Hong Kong political system lay in fulfilling international agreements, in linking up with the Hong Kong Basic Law, and in realizing a smooth transition for Hong Kong. Complete insincerity on the matter of cooperation and deliberate sabotage by Britain had led to the breakdown of Sino-British negotiations over arrangements for the 1994-1995 elections in Hong Kong.

Delegate Zeng Xianzi said Hong Kong people should not harbor illusions and should become united. With strong backing from the motherland, Hong Kong's prosperity and stability would be ensured.

Other delegates also expressed the hope that the Preliminary Work Organ for the Preparatory Committee of the Hong Kong Special Administrative Region would increase its work, vigorously prepare for China's resumption of sovereignty over Hong Kong, and help ensure a smooth transition of Hong Kong.

On the issue of reform and construction, delegates Zeng Xianzi and Wang Mingang said another major topic they would address at the NPC meeting was good handling of the relationship between reform, development, and stability. Zeng Xianzi said it was necessary to emphasize the Chinese character "jian kang" (healthy), namely to stress increasing economic efficiency, if the people wanted to maintain sustained, stable, and healthy development of the economy. Carrying out reform well would lead to healthy development of the economy and a developed economy would lead to social stability. Many delegates also described as astounding China's economic development over 15 years of reform and opening up. As China was a big country with a huge population, development was still uneven. To achieve common development, it was hoped that the economically-developed regions would enhance cooperation with less-developed areas.

On the issue of clean-administration building, delegates Wu Kangmin and Zheng Yaotang said the CPC Central Committee and the State Council had attached great importance to it, adopted many effective measures on anticorruption work, and achieved certain results. They hoped more efforts would be taken in this regard to establish anticorruption supervision and restraint mechanisms.

Minority People's NPC Deputies Meet in Beijing
OW0903064894 Beijing XINHUA Domestic Service in Chinese 1256 GMT 8 Mar 94

["Feature" by correspondent Lou Wanghao (2869 2598 4110) and reporter Zheng Qingdong (6774 1987 2639): "Jiakexi! (Good) Yakudu! (Good)—An Account of a Midnight Meeting Among Minority People's Deputies"]

[Text] Beijing, 8 Mar (XINHUA)—This was a spontaneous gathering. This is a vivid portrayal of great national unity.

At 2300 [1400 GMT] on 7 March, a happy atmosphere filled the hall on the first floor of the Jingxi Hotel. A dozen people's deputies dressed in minority costumes gathered in the hall, singing happily, laughing heartily, and exchanging views on the old days and new happenings. Although they were of different nationalities and had language problems, they shook hands warmly; they shared the same views; their smiles were full of warmth; they exchanged greetings....

After arriving in Beijing, the minority deputies of the delegation representing the Xinjiang Uygur Autonomous Region were very happy to learn that the delegation from Tibet Autonomous Region was also staying in the same hotel. Someone contacted the Tibet delegation. By now the Tibet delegation, which had just arrived in Beijing after a tiring journey, was well rested. Upon learning that the fraternal deputies from the Xinjiang delegation wished to meet them, members of the Tibet delegation

joyfully jumped out of bed, dressed in their best national costumes, and rushed downstairs to meet the deputies of the Xinjiang delegation.

Some deputies of the Tibet and Xinjiang delegations knew each other while some met for the first time. However, when the deputies of Uygur and Kirgiz nationalities from Xinjiang, who were wearing little flower hats and white felt hats, met with the Tibetan deputies wearing Tibetan costumes, it was especially warm like relatives meeting one another.

"Zhaxidele!" (Tibetan for may your wishes come true)

"Jiakexi!" (Kirgiz for how are you)

Laughter, greetings, and chats continued, and the deputies were very excited. The atmosphere was very warm. In groups of three or five, they talked about the past, discussing reform and changes.

Speaking most enthusiastically were [Ashanbaike Tuerdi], head of the Kizilsu Kirgiz Autonomous Prefecture, and [Luosangjiangchun], head of the Nagu Prefectural Administrative Office. As they came from a pastoral area, they talked ceaselessly about reform and economic development in their respective areas.

Deputy [Luosangjiangchun] said: "In the past few years, as a result of carrying out reform in Tibet's pastoral areas, animal husbandry has developed rapidly, thus raising herdsmen's living standard by a big margin. In 1993, per-capita income of Tibet's herdsmen topped 700 yuan, and each herdsman owned an average of 50 head of livestock. This situation means the people feel secure; there is social stability; there is national unity; and there is economic development."

After hearing this story, Deputy [Ashanbaike Tuerdi] said: "Good! Good!" Continuing speaking, he said: "There are more than 100,000 Kirgiz people in our prefecture. Although our development is not as rapid as yours, the people's living conditions have improved tremendously in recent years. Taking advantage of geographical position, we have increased our income considerably by developing border trade and enlivening the market."

[Luosangjiangchun] said happily: "All of us have witnessed changes. It is really good!"

They continued talking, but no words could describe their joy and happiness. They agreed they should learn from each other, advance together, strengthen unity, and prosper together.

These words by Amudun Niyaz, Uygur nationality deputy from Xinjiang, reflected the common desire of the deputies of various nationalities: "National unity, social stability, and economic development—this constitutes the foundation for the prosperity of the Chinese nation. If we can do this, the living conditions of

minority nationalities will, like the rest of the country, improve year by year, and the days ahead will become sweeter and sweeter!"

Reform, Development Attract Attention of NPC Deputies

OW1003094094 Beijing XINHUA in English 0907 GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Economic development and reform are the most important issues attracting attention from deputies to the Eighth National People's Congress (NPC), according to a brief survey made by XINHUA just before the opening of the current NPC session today.

The 2,800-plus deputies from all corners of China converged in the Great Hall of the People a half hour before the opening. When XINHUA reporters made a survey among 50 deputies, 30 considered economic development and reform the most important issue.

In a government work report delivered today, Premier Li Peng devoted the longest parts to the principles governing China's economic work and arrangements to ensure substantial progress of the economic restructuring. Therefore, what the deputies are concerned about coincides with the priority of the government work.

Other issues the deputies are interested in include the reform of the state-owned enterprises, protection of peasants' interests, development of ethnic minority areas, prices and social order.

Though they touch upon many issues of common concern, deputies from different regions, industries and circles pay attention to different specific issues. For instance, entrepreneur deputies, without exception, focus on establishment of a modern enterprise system—an important part of the economic reform this year; and peasant deputies generally stress development of rural economy and protection of peasants' interests.

Four mayors surveyed said that they will try their best to handle well relations among reform, development and stability. This shows that the local executives pay more attention to the overall situation.

Yue Qifeng, governor of Liaoning Province, said what he is concerned most is to invigorate the state-owned enterprises. Liaoning is China's leading heavy-industrial center with 1,200 big and medium-sized state-owned enterprises.

Xie Shijie, secretary of the Sichuan provincial committee of the Chinese Communist Party, said he concentrates his attention to boosting peasants' income, as Sichuan is the biggest agricultural province in China.

Li Yukun, deputy director of the Rugao Silk Carpet Factory in Jiangsu Province, said he is interested in reform of the foreign trade system because his factory manufactures carpets for export.

Gesang Quje, a Tibetan and living Buddha from Qinghai Province, voiced his hope for prosperity of ethnic minority areas and stable state religious policy.

Zhang Shan, the Barcelona Olympic skeet champion, and Song Shixiong, a noted Chinese sports commentator, concentrate their attention on development of China's sports and physical culture.

As China will carry out an all-round economic reform and make breakthroughs in key fields this year, the interests structure will be further readjusted. Therefore, people are concerned with various major reform measures raised by the Chinese Government, from different perspectives. The deputies will earnestly deliberate the government work report, air their views and put forward suggestions at the current session.

Xie Fei Interviewed on Guangdong's Plans

OW1003120694 Beijing Central People's Radio Network in Mandarin 2300 GMT 9 Mar 94

[From the "Special Program on the NPC and CPPCC Sessions"]

[Text] As a frontier province in China's reform and opening up, Guangdong has achieved remarkable progress over the past 15 years. However, as the Central Committee's policy of reform and opening up is being implemented in depth throughout the country, overseas investment is gradually moving inland. Moreover, other coastal provinces and cities have also opened up in an all-round way. Consequently, Guangdong has been steadily losing many of its former advantages. In these circumstances, what can Guangdong do to create new advantages and advance its economy to a new level?

In an interview with station reporter Zhao Yihong, Xie Fei, NPC deputy and secretary of the Guangdong Provincial CPC Committee, spoke about Guangdong's plans for the future and its strategic goals.

[Begin recording] The general idea is to lay a foundation. There are three aspects to this foundation. For short we call them three mountains—all for the purpose of laying a foundation.

First, the institution of three mechanisms. The first is the mechanism of the socialist market economy, a mechanism of broad significance. The second is the legislative mechanism, and the third that of democratic supervision. These three mechanisms, we believe, will be crucial to the accomplishment of our future goals. They are economic as well as political mechanisms. In other words, we will simultaneously promote reform of two types of mechanisms that promote one another.

Third [as heard], making improvements in three areas: 1. Optimizing the industrial structure. Guangdong is developing industries based on high and new technology; there should be a reasonable ratio between the primary, secondary, and tertiary industries; and industry should

change in a way that lays greater emphasis on economic efficiency. 2. Improving the environment. In achieving modernization, we should try to avoid the problems that developed countries have encountered before—that is, pollution of society and the environment brought about by modernization. We are studying ways to avert these problems. Our goal is to achieve modernization and industrialization without polluting the environment. 3. Improving the quality of the population. It has a two-fold meaning. One is family planning, the second is related to education. It is important to improve the quality. [end recording]

Spokesman Holds News Briefing Before Second Session

OW1003135394 Beijing Central Television Program
One Network in Mandarin 1135 GMT 9 Mar 94

[News briefing by Zhou Jue, spokesman for the Second Session of the Eighth National People's Congress, with foreign and domestic correspondents at the Great Hall of the People on 9 March; moderator identified by indistinct caption—recorded]

[Text] [Moderator] The news briefing has begun. Let us ask Comrade Zhou Jue, our spokesman for the National People's Congress [NPC] session, to make some remarks.

[Zhou] The Second Session of the Eighth NPC will open tomorrow. Although the current session is a regular meeting, it is very important. It is being held during an important period when our country is proceeding on all fronts in reforming its economic structure with breakthroughs in key areas, and when it is accelerating the pace of establishing a socialist market economic system. You are welcome to cover this session. I wish you success in your coverage. Now, I am willing to answer your questions that have something to do with the agenda of the current session.

[RENMIN RIBAO correspondent] I am a correspondent from RENMIN RIBAO. I would like to ask the spokesman the following question: The just-concluded sixth meeting of the NPC Standing Committee examined and approved the Law of the People's Republic of China on the Protection of Investments by Taiwan Compatriots. This has caused great concern on both sides of the Taiwan Strait. What effect will the implementation of the law have on the expansion of cross-strait economic exchanges and trade?

[Zhou] The NPC Standing Committee meeting recently approved the Law of the People's Republic of China on the Protection of Investments by Taiwan Compatriots. This is because cross-strait economic contacts have become closer, and Taiwan's investments in the mainland's economy have increased by a large margin. Despite this situation, the two sides of the Taiwan Strait have not yet established direct postal links, direct air and shipping services, and direct trade contacts. Therefore, it

is essential to enact the law on protecting Taiwan compatriots' investments. The law mainly protects Taiwan compatriots' personal safety, investments, and investment returns; it also protects enterprises funded by them in China against being requisitioned, and if these enterprises are requisitioned for public services, the method of compensation should be adopted. Moreover, the law allows enterprises funded by Taiwan compatriots here to organize business associations to protect their legitimate rights and interests. The formulation and adoption of this law fully demonstrates that we attach great importance to Taiwan compatriots' investment-related rights and interests, and also give full expression to our sincerity in developing cross-strait economic contacts and trade. I believe that the enactment of the law will surely be welcomed by the broad masses of Taiwan compatriots, and it will play a very important role in promoting economic development on the two sides of the Taiwan Strait. The enactment of this law provides us the most authoritative and fullest legal guarantee for protecting investments by Taiwan compatriots on the mainland.

[Unidentified correspondent] Some NPC deputies from the Hong Kong region are going to put forward a motion during the NPC session, requiring the NPC to announce the dissolution and reorganization of the Hong Kong British Government's three-tier parliament after 1997. Will NPC spokesman support the motion?

[Zhou] Sino-British talks on Hong Kong's 1994/1995 elections have broken down due to an uncooperative and sabotaging attitude taken by Britain. The responsibility is entirely on the British side. In accordance with the stipulations of the Sino-British Joint Declaration, Britain's administration over Hong Kong will end on 30 June 1997, with China resuming the exercise of its sovereignty over Hong Kong thereafter. The three-tier political structure which serves the British administration in Hong Kong will also inevitably end with the expiry of the term of British rule. The political framework for the Hong Kong Special Administrative Region will be formed according to the resolution of China's NPC and the relevant stipulations of the Basic Law. Here, I would like to reiterate: Hong Kong will soon return to the embrace of the motherland. No force whatsoever can stop this. The Chinese Government and people have full confidence and ability to resume the exercise of China's sovereignty over Hong Kong on time; to implement the principle of "one country, two systems"; to carry out the Basic Law; and to maintain Hong Kong's smooth transition as well as its long-term stability.

[CCTV correspondent] The NPC and its Standing Committee noticeably sped up the pace of legislation over the past year, but failure to abide by the laws and lax enforcement of laws occurred in some areas from time to time. How will the NPC Standing Committee strengthen examination of and supervision over law enforcement so as to improve the situation?

[Zhou] Supervising law enforcement and government judicial organs' work is an important duty entrusted to the NPC and its standing committee by the Constitution. Over the past year, the NPC Standing Committee conducted close examination of legislation of laws, their enforcement, and government work, bearing in mind the state's priority tasks and the issues of greatest concern to the people; it successively sent 10 inspection teams to 15 provinces, municipalities, and regions to assess work in comprehensive management of public security and in dealing with the production and sales of counterfeit and substandard commodities. Various special committees also sent 27 inspection teams to assess progress in implementing 15 laws. The Standing Committee also heard reports by relevant State Council departments and the Supreme People's Procuratorate [SPP] on education, banking, foreign trade, the building of a clean and honest government, and civil aviation. For instance, after hearing a work report by the department of the Civil Aviation Administration, the Standing Committee required the department of the Civil Aviation Administration and its affiliated organizations to conscientiously strengthen control, to improve the quality of their work and personnel as well as attitude toward service, and to improve civil aviation as quickly as possible. After hearing work reports by the SPP and relevant State Council departments, the Standing Committee fully affirmed their work, in particular their work on investigating extensive, important cases, and gave them maximum support. In the future, the NPC and its Standing Committee will continue to strengthen supervision and to exercise the authority of supervision vested in it by the Constitution in a better way.

[SWEDISH DAILY NEWS correspondent, in English fading into Mandarin translation] I have heard that the Chinese Government is considering abolishing the provision on counterrevolutionary crime in its Criminal Law and replacing it with some definitions of various crimes. Could you verify such a change? In addition, do your legislators have plans to discuss this matter?

[Zhou] The counterrevolutionary crime stipulated in China's Criminal Law refers to crimes endangering state security. In any country in the world, crimes that endanger state security have to be punished.

[XINHUA correspondent] How will quickening legislative work advance China's market economy?

[Zhou] In accordance with China's Constitution, in the past year, the NPC Standing Committee has made legislative work, especially economic-related legislative work, a priority. Excluding the Constitutional amendment bill and the Basic Law of the Macao Special Administrative Region, adopted at the First Session of the Eighth NPC, the NPC Standing Committee has enacted or revised 19 laws, of which 12 concern the establishment of a socialist market economic system. These laws include the Corporate Law, Agriculture Law, Individual Income Tax Law, the Law Against Unfair Competition, the Quality Law, the Law on Protecting the

Rights and Interests of Consumers, and so on. Last year, the number of laws passed by the NPC Standing Committee broke all previous records. I can tell you all that the Standing Committee has initially examined two important laws, the Budget Law and the Securities Law. During its eighth term, the NPC Standing Committee will fully implement the guidelines of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee, will quicken the legislative process, and will endeavor to complete the better part of the legal framework for the socialist market economy under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, under the guidance of the party's basic line and on the basis of the Constitution. Moreover, it will continue to establish and improve the legal systems in other areas. During its eighth term, the NPC Standing Committee plans to pass 152 laws, 53 of which deal with the socialist market economy. I can tell you all that from 1949 to 1992, the NPC and its Standing Committees passed a total of 170 laws. Enacting 152 laws during the eighth term of the NPC Standing Committee—this is indeed an important and glorious task.

[Unidentified correspondent] The NPC has just passed the "Law on the Protection of Investments by Taiwan Compatriots." At present, many Taiwan businessmen believe that this law is insufficient. Therefore, they have been voicing their hope that the two sides will sign an investment protection agreement. What is the view of the NPC regarding this issue?

[Zhou] Investments on the mainland by Taiwan compatriots are a special kind of domestic investment. Therefore, protection of the investment rights and interests of Taiwanese compatriots can only be realized through a domestic law. [words indistinct] the issue of investment protection agreement. Taiwan is an inalienable part of Chinese territory. The relationship between the central government and the Taiwan authorities is one between the central government and a local authority. It is out of the question that the two sides may sign any agreement.

[Unidentified correspondent] NPC deputies from the Hong Kong region and those from the Guangdong region have jointly submitted a motion demanding that a special clean government work committee be set up under the NPC Standing Committee. They feel that such a committee under the NPC Standing Committee will strengthen the Chinese Government's work against corruption. Moreover, it will enhance the NPC's status. What is the view of the NPC on this motion?

[Zhou] You have just mentioned that some Hong Kong deputies have suggested that a clean government work committee be set up under the NPC Standing Committee. According to the provisions of relevant laws, any people's deputies are entitled to make suggestions and submit motions, but examinations and approval must be done in accordance with legal procedures. As for the struggle against corruption, we will continue it on a long-term basis and will strive to achieve still greater

results. Therefore, as the Hong Kong deputies have submitted some good suggestions or motions, they will certainly be welcomed.

[Unidentified correspondent] This year China will introduce more measures to reform enterprises. The workers have become more concerned about their work prospects this year. Does the NPC have any plan to make laws to protect workers' rights and interests this year?

[Zhou] Regarding the law on the protection of the working class's rights and interests, China has enacted the Trade Union Law. In this law there are explicit provisions on protecting workers' rights and interests. We have also passed the Labor Law. This is an important law to protect workers' rights and interests.

[Moderator] Today's news briefing is now concluded. Thank you.

PLA's Yu Yongbo Calls on NPC Deputies 8 Mar
OW0903005094 Beijing XINHUA Domestic Service in Chinese 1457 GMT 8 Mar 94

[By reporter Ma Kuijun (7456 7608 0689), from the "Tidbits About the Second Session of the Eighth National People's Congress and the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference" under the subhead "The General's Apology"]

[Excerpt] Beijing, 8 Mar (XINHUA)—On the afternoon of 8 March, Yu Yongbo [as published], director of the General Political Department of the People's Liberation Army (PLA), and Zhou Ziyu and Du Tiehuan, deputy directors of the PLA General Political Department, led the persons in charge of the departments and sections concerned of the General Political Department to call on members of the Tianjin and Hebei delegations to the Second Session of the Eighth National People's Congress [NPC] at the General Political Department's guesthouse. At the deputies' rooms, the leaders inquired about their living conditions, meals, and restfulness and expressed their sincere apologies, saying: "The conditions at our guesthouse are rather poor. We hope that you will offer your comments, and we will do our best to make up for the sparseness with our good service."

When Deputy Gao Dezhan, who is secretary of the Tianjin Municipal CPC Committee; Deputy Nie Bichu, who is chairman of the Tianjin Municipal People's Congress Standing Committee; and Deputy Cheng Weigao, who is secretary of the Hebei Provincial CPC Committee, expressed their thanks for the concern shown by the leaders of the General Political Department, Yu Yongbo said with deep affection, "These are fighters' regards to the people's deputies." [passage omitted]

NPC To Set 'Legal Framework' for Socialist Economy

HK0903111494 Hong Kong AFP in English 0813 GMT 9 Mar 94

[By Tiffany Bown]

[Text] Beijing, March 9 (AFP)—China's National People's Congress (NPC) opens its annual session here Thursday, planning to usher in a year of legislation that will lay the framework for establishing a socialist market economy.

NPC Chairman Qiao Shi told a preparatory meeting Wednesday that the session "is extremely important since it is convened at a time when China is establishing a socialist market economic structure and marching on the road of modernisation," XINHUA reported.

Nearly 3,000 delegates to the 13-day second session of the eighth NPC are expected to approve the economic and social development plan and the budget for 1994, as well as examining a draft budget law, NPC spokesman Zhou Jue told journalists.

The delegates are also to study Premier Li Peng's government work report, likely to focus on efforts to cool the overheated economy.

Zhou said that this year the NPC and its standing committee "will accelerate the pace of legislation so as to roughly put in place the legal framework necessary for the establishment of the socialist market economy."

Some 152 pieces of legislation, of which 53 relate to economic reform, are due to be dealt with in 1994, compared with 19 and 12 respectively last year.

A Western diplomat, however, doubted the NPC would succeed in laying the legal framework for a socialist market economy this year, saying much of the planned legislation covered relatively minor issues. Legislation in vital areas like banking and securities would take longer than originally planned, as the Chinese authorities were now taking a "reality check" on the amount of preparatory work necessary, the diplomat said.

Zhou made no mention of any banking legislation and acknowledged that problems remained in progress towards a long-awaited securities law. "Securities is a new subject so we lack adequate experience to cope with it," Zhou said, adding that "more careful study" was needed.

Qiao said the NPC session would be guided by the theories of senior leader Deng Xiaoping and the communist party's basic line, thereby indicating that political reform was not on the agenda.

NPC spokesman Zhou appeared to rule out consideration of long-standing proposals to replace legal clauses on "counter-revolutionary crimes"—frequently used to detain dissidents—with references to specific violations.

"Counter-revolutionary crimes as contained in China's criminal law refers to crimes that endanger state security," he said. "I think for such crimes that endanger state security it deserves punishment in every country."

Zhou also defended the NPC's reputation as little more than a rubber-stamp body [as received], saying the system of China's parliament "fully suited the national conditions of my country." "China's National People's Congress is different from parliaments in other countries and we will not mechanically copy the experiences of others," he said.

In a vivid reminder that dissenting views will not be entertained, China has recently launched a crackdown on political activists, detaining them or escorting them from the capital to ensure the NPC's smooth running.

The 163-member NPC presidium, elected Wednesday, includes 89-year-old Deng—who retired from his last official post in 1990—as well as President Jiang Zemin. Deng, who looked frail and dazed when he appeared in public last month for the first time in one year, was also a member of the 1993 NPC presidium but did not make an appearance.

The NPC, created in 1954, is elected every five years and convenes an annual plenary session. Its standing committee meets several times a year to examine and adopt laws.

Adverse Reporting on NPC, CPPCC Banned

HK0903154794 Hong Kong LIEN HO PAO in Chinese 9 Mar 94 p 10

[Report by LIEN HO PAO news team: "CPC Bans the Media From Reporting on Dark Aspects During the Two Sessions"]

[Text] Beijing, 8 Mar—Several days ago, the CPC Propaganda Department instructed the mainland media not to report on dark aspects of society during the sessions of the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC], and not to discuss controversial policies, but to disseminate the slogan of "stability overwhelming everything." In this year's propaganda work, the CPC has particularly stressed the importance of stability, and this has been rare in recent years.

Prior to these two sessions, the CPC held a "national propaganda and ideological work meeting," asking the localities to maintain unanimity with the Central Committee in propaganda work. Recently, it particularly urged the media to focus on "stability" when reporting on the two sessions, instead of providing news that might lead to social instability. The news to be banned from coverage includes:

—Inflation: Despite the CPC plan to control inflation below 10 percent this year, commodity prices in many big Chinese cities had increased by more than 20

percent in the first two months of this year. People are anticipating price increases, and many NPC and CPPCC deputies are concerned about price increases. With the principle of "stability overwhelming everything" in command, the CPC will not allow the media to report on inflation.

—Pay arrears: State-owned enterprises have suffered from losses for many consecutive years and many units have been unable to pay wages. Although the CPC has announced pay increases, many enterprises cannot even pay the pre-increase wages. In addition, some retired workers are earning small pensions, and their welfare and insurance have been abolished; this has caused resentment among medium- and low-wage earners. The CPC has instructed the media not discuss these problems, which might cause instability in society.

—Deterioration of social order: Social order is generally worsening in mainland cities and rural areas. Not long ago, looting of grain occurred in Hunan, and looting of oil happened in Shanghai. Social news is the favorite of the mainland media and the scale of coverage has increased. Therefore the CPC has restricted such coverage.

—New theoretical controversy: Last year, there was much controversy in mainland academic circles and among government officials over ownership rights and development rates. The CPC has urged the media not to discuss these unconcluded issues, and everything must proceed according to the decision of the 14th CPC National Congress.

Moreover, the CPC also has instructed the media not to provide news on high consumption, waste and extravagance, or high educational fees, for fear of evoking resentment among low-wage earners. In addition, the CPC has urged the media to have confidence in the "combat against corruption" and to continue providing positive coverage.

This year the CPC will introduce a number of reform measures that will involve the redistribution of major interests and may cause turbulence in society. Therefore in propaganda work the CPC will pay more attention to "stability" than the previous years, and will chant the slogan "stability must take precedence over everything."

Commentary on Upcoming NPC, CPPCC Sessions

HK1003022094 Beijing RENMIN RIBAO in Chinese 5 Mar 94 pp 1, 2

["Commentary on the Two Sessions" column by staff reporter Ai Feng (5337 0023): "Moving Toward Maturity for Another Year—Written on the Eve of the Opening of the NPC and CPPCC National Committee Sessions"]

[Text] "Here comes yet another spring verdant with sprouting grass." This year's "two sessions" are soon to open.

The past year was the first year after the party proposed building the socialist market economy at its 14th national congress. Though the voyage has not been "soul-stirring," it nevertheless followed "an uneven course." It has been a year of moving toward maturity.

At this year's "two sessions," the deputies [to the National People's Congress (NPC)] and members [of the national committee of the Chinese People's Political Consultative Conference (CPPCC)] will deliberate and discuss the government work report. They will naturally have a lot to say about this major subject.

Seize the Opportunity: A Year of Brilliant Achievements. The "Resolution" of the Third Plenary Session of the 14th CPC Central Committee Is An Important Sign of "Moving Toward Maturity"

People probably still remember clearly, even without looking through the old papers, that the keynote or hottest topic at last year's "two sessions" was "to seize the opportunity and speed up development" and "to seize the opportunity and speed up reform." This inspiring, enthusiastic momentum was especially keenly felt at the news briefings held in various provinces.

One year has passed. The situation and figures indicate that the desired results were achieved.

The GDP exceeded 3 trillion yuan, up 13.4 percent over the previous year; a bumper agricultural harvest was reaped and the added value of agriculture grew by 4 percent, with total grain output reaching 456.4 billion kg; the "bottleneck" industries were strengthened, and new records were created in the construction of new railway lines and the conversion of single-line tracks to multiple tracks; the total retail volume of consumer goods grew 11.6 percent over the previous year, with price hikes factored in; and so on and so forth. In a word, last year, China's economy carried forward the fast growth it had experienced in 1992.

On the front of reform, the regulations on the "change of mechanism" for state-owned enterprises were implemented; diverse economic sectors were developed; explorations were made for the establishment of a modern enterprise system; price reform was deepened; and grain prices were decontrolled in more than 90 percent of all counties (cities). More importantly, proposals for the reform of the financial and tax system, the monetary system, the investment system, and the foreign trade system were formulated and promulgated one after another.

What is particularly important is that the "Decision of the CPC Central Committee on Certain Issues Concerning the Establishment of a Socialist Market Economic System," made at the Third Plenary Session of the 14th CPC Central Committee last November showed so

complete a structure, so well-defined a framework, so original a mental approach, and such closely combined theory and practice that it amazed people both in and outside China. The birth of this magnificent and scientific blueprint that maps out the reform of our country in this century signals that our reform has smoothly reached the critical stage of overall advance and is also the most important indication that we have begun "moving toward maturity."

"Ah, the unique view unfolds on this side of the trail." (A line from a poem written by Mao Zedong in 1934) Today, what people both within and outside the country can see is a socialist China enjoying economic development, political stability, nationality solidarity, and social progress.

Have the Chinese seized the opportunity? How was the government work in the past year? The talks made by the old-generation revolutionaries, such as Comrade Deng Xiaoping and Comrade Chen Yun, just before the Spring Festival can be seen as a positive answer to this question on behalf of the whole nation.

Macroregulation and Control: The Unforgettable 1993. Deepening the Comprehensive Understanding of Socialist Market Economy Through Practice Is Yet Another Manifestation of "Moving Toward Maturity"

"Macroregulation and control" was probably the most characteristic content in 1993 economic life.

When people were throwing enormous fervor into economic development and when the planned economy was being converted to the market economy at an accelerated pace, the inadequacy of understanding, the lack of experience, and the limiting angles often gave rise to some "blind spots" in people's vision.

In the context of rapid economic development, should we guard against "overheating?" How shall we assess the messages from the "development zone rush," the "stocks rush," and the "real estate rush?" Is the latent deep-level danger growing? Faced with these and other questions, for a time, people developed differing opinions. At the end of the year before last, the central authorities gave some warning to "prevent overheating." Last year, at the beginning of the year and in March and April, the central authorities issued more reminders. But people did not quickly come to a consensus. The thought that "if you are overheated, I am not" became an argument "not for publication;" "I will do it my way" was interpreted as "market behavior;" and the "uneven heat distribution" caused by structural and inter-regional imbalance seemed to provide "evidence" for such ideas. As proved time and again by history, the phenomenon of "rushing headlong into action" that overstepped the bounds of feasibility resulting from "emulation" in "doing something good" is the most difficult to stop. People have been too eager to speed up development.

But the most sensitive economic barometer, commodity prices, issued a serious warning. Not only did the price of

steel products soar, the cost of living index in large cities exceeded 22 percent! Furthermore, there was serious disorder in the monetary sector, the lifeblood of the national economy: unchecked interbank loaning, rampant fund-raising, direct and indirect participation of banks in speculative real estate deals, and the excessive release of banknotes. If these problems could not be solved in good time, major fluctuations would be inevitable.

It was under these circumstances that the CPC Central Committee and the State Council resolutely made the decision to strengthen and improve macroregulation and control. After that, the people's ideas gradually converged.

The work on macroregulation and control was naturally difficult, but the desired results were soon achieved and what is commonly known as a "soft landing" was realized. The phenomenon of "issuing IOU's to purchase agricultural products," the solution to which had been demanded for many years, has been greatly changed this year, winning praise.

Yet there is no need for reticence about the fact that the effects of macroregulation and control on the economic life are also multifaceted. The latent problems in some areas, which were born out of "overheating" were exposed earlier than they would have been because of the implementation of the regulation and control measures; other parts, due to lack of experience in controlling the strength and method of regulation and control, felt new difficulties. "Macroregulation and control" itself, for a time, became the most talked about and thought about issue.

Work as One: Overall Advancement of Reform. To Give Full Play to Our Advantages in Implementation Is an Important Guarantee for "Moving Toward Maturity"

"Macroregulation and control" was designed not to "check and stifle," but to "check and enliven." The new practice and new thinking in this area have generated two achievements that are of profound and far-reaching significance.

Achievement one: People have come to realize that the market economy also requires macroregulation and control, which, at the current stage in the transition, should be even strengthened; and that today's macroregulation and control must conform to the market economy and therefore must be improved. It is essential to reform as well as an important element of reform.

Achievement two: Under the leadership of the central authorities, a blueprint for realizing the socialist market economy in China was well drawn in terms of theory and the overall framework. In terms of concrete operations, various reform proposals were well designed after sufficient investigation, research, and repeated consultations and, with the right opportunity, were promulgated in good time.

During the system changeover, what must be avoided at all costs is the "overlapping" of two problems. What kind of trouble will be created if enterprises that are not yet capable of "self-restraint" and a "laissez-faire market" come together? In the final analysis, whether we are looking at a problem which macroregulation and control aims to solve or a difficulty that macroregulation and control itself encounters, there are always underlying causes in the system. That is why it is only logical that strengthening and improving "macroregulation and control" should lead the way in the overall deepening of reform.

There were also all kinds of comments and worries about the various reform proposals, especially those for financial and tax reform.

Considering the risks of the "merging of two exchange rates," even foreign experts were seized with deep concern for us. In June, the exchange rate of U.S. dollars to renminbi reached 1:12, and some people even predicted that it would go up to 1:15. Could we hold our ground? But no sooner had the macroregulation and control measures been published than the exchange rate started to drop. After moving on a downward curve for some time, it rebounded. But the state exercised regulation and control with economic means, quickly stabilized the situation, and kept it down. Through this process, the state even obtained more foreign exchange. Comments coming from China and overseas said: That was a brilliant job!

The reform of the tax system is considered worldwide to be one of the most difficult reforms. It once took the Japanese Diet three terms to adopt a new tax regime. It has been said that Mrs. Thatcher's stepping down was somewhat related to the change in the tax regime. A senior U.S. official said: In the United States, whoever does this job is probably the most unpopular person in the entire country. This is because any change in the tax system would touch the most extensive scope of interests.

The current situation of China's tax system reform is different from that in the West, but people are nevertheless still worried that it will run into obstruction, give rise to disputes, and cause a shock. But the actual progress that has been made so far may well be called another "exception to the rule." It has not only exceeded what was generally predicted abroad, but has also been much smoother than what we ourselves originally imagined. Judging from what happened in January this year, the operation of the new tax system was normal. Though there were some operational problems in the convergence of old and new procedures, they did not have any negative impact on production and circulation. Tax revenue in January was 61 percent higher than the same period last year. As well as being a result of growth in production, it is also an achievement of the new tax system. Naturally, however, this is just a beginning.

The above facts are another proof of this truth: In socialist China led by the communist party, as long as the central authorities, local authorities, and the people at all levels in the whole country work with one mind and make concerted efforts, any difficulties on the path ahead can be surmounted.

Deepen Reform: The Focal Point of This Year's Work. To Handle Well the Relationship Among Reform, Development, and Stability Is the Key to "Moving Toward Maturity"

At the beginning of the year, the central authorities put forward the 20-character principle, namely, "to seize the opportunity, deepen reform, expand opening up, promote development, and maintain stability [zhua zhu ji yu, shen hua gai ge, kuo da kai fang, cu jin fa zhan, bao chi wen ding 2119 0145 2623 6657 3234 0553 2395 7245 2368 1129 7030 2397 0191 6651 4099 1455 0202 2170 4489 1353].

The forthcoming two sessions are bound to understand and implement this principle at greater depth.

This year, when a number of major reform measures were being promulgated at the same time, the "acceleration" had in a sense become reality; and to implement these proposals and to carry on with reform in greater depth and in a down-to-earth manner is now the most important task.

Development is the last word. Development also requires a new mental approach. In the context of rapid development, the key to avoiding the "chronic maladies" that have easily cropped up in past years is to introduce new mechanisms through reform and to push forward and catalyze development with the new mechanisms.

This might constitute the background against which last year's "acceleration" can be converted to this year's "deepening" and "promotion."

- How shall we continue to handle well the relation among reform, development, and stability?
- How shall we continue to realize the sustained, rapid, and healthy [chi xu, kuai su, jian kang 2170 4958 1816 6643 0256 1660] development of the national economy? How should we interpret the word "healthy?"
- How can the stabilization of commodity prices be achieved? How is it intrinsically related to control on the scale of capital construction?
- How can the exploration of ways to establish a modern enterprise system be integrated with the enhancement of the economic efficiency of state-owned enterprises?
- How can such matters as anticorruption operation and improvement on social security, which people are concerned with, continue to be strengthened?

People are hoping that, at this year's two sessions, the deputies and members will discuss these important issues from a higher, deeper, and more comprehensive perspective and make the corresponding decisions.

"Another year of yearning, to the twittering of the swallows." The "two sessions," to be held in the spring season which is full of vitality and hope, herald a still more colorful [duo zi duo cai 1122 1217 1122 1752] future.

People believe that, on the road of China's construction of the socialist market economy, 1994 will certainly be another year of "moving toward maturity!"

Li Peng Work Report Revised To Stress PWC

HK1003071594 Hong Kong TA KUNG PAO in Chinese
10 Mar 94 p 2

["Special Dispatch": "There Are Deletions and Supplements in Li Peng's Report on the Work of the Preliminary Working Committee"]

[Text] Beijing, 9 Mar—Sources at the "two sessions" have disclosed that a new paragraph stressing the work of the Preliminary Working Committee [PWC] has been added to the part of Li Peng's Government Work Report which deals with the Hong Kong issue.

It has been learned that the session today withdrew all copies of Li Peng's Government Work Report already distributed to CPPCC members, replacing them with copies of a revised version this evening.

In the revised version of Li Peng's Government Work Report, a new paragraph has been added to the part dealing with the Hong Kong issue.

The original version: The British side should be held fully responsible for the breakup of the Sino-British talks. According to the decision of the Standing Committee of the National People's Congress, the Preliminary Working Committee of the Preparatory Committee of the Hong Kong Special Administrative Region has begun its work.

Inserting a new paragraph: Tasks are arduous and the responsibility is heavy. It is our hope that the Preliminary Working Committee can unite Hong Kong compatriots in the most extensive way, succeed in all fields of work in preparation for the establishment of the Hong Kong SAR, as well as its first session of government and legislature, and live up to the expectations and great trust of the people of the whole country.

Joining the original version: No matter what twists and turns we may face, the Chinese Government and people have the determination and ability to exercise sovereignty over Hong Kong as scheduled, and to maintain Hong Kong's long-term stability and prosperity. Britain's colonialist rule over Hong Kong is coming to an end and no force on earth can stop it from happening.

Text of Wang Dan Letter to NPC, CPPCC*HK1003120094 Hong Kong MING PAO in Chinese 10 Mar 94 p a8*

[Text] Wang Dan, a leader of the 1989 student movement, who was arrested and released by the authorities the day before yesterday, late last night faxed to the Hong Kong media an open letter to the two meetings entitled "Safeguard Human Rights, Enhance Social Stability," urging the two meetings to show concern for the political rights and natural human rights of the individual. Wang Dan held that the living standard of the Chinese people has improved somewhat as compared with the past and that it is time at present to show concern for the rights of the individual.

In his open letter, Wang Dan stated that he will unyieldingly investigate the human rights situation of the Chinese people and will, "within the scope permitted by law," "openly" investigate cases involving human rights. He stated that he is mentally prepared for being "suppressed" and will never feel "regret."

Wang Dan emphasized that "the democratic movement is not an antigovernment movement and safeguarding human rights is not subverting the government."

The full text of Wang Dan's open letter is as follows:

Deputies to the Second Session of the Eighth National People's Congress [NPC] and members attending the Second Session of the Eighth Chinese People's Political Consultative Conference [CPPCC] National Committee:

The Constitution of the PRC stipulates: Citizens have the right to make suggestions and to criticize any state organ. On the occasion of the opening of the "two meetings," I, in the capacity of an ordinary PRC citizen, want to put forward my own views on some issues in the political life of the country for the reference of the deputies and members.

I support the reform and opening up policy pursued by the authorities and agree that in the course of reform and opening up the living standard of the people has improved somewhat as compared with the past. It is precisely because of this that I think that in China today the issue of the right to subsistence has been resolved and, therefore, the safeguarding of the political rights and natural human rights of the individual should naturally be put on the agenda of the meetings. Respecting human rights is a commitment of the socialist state. However, it is undeniable that some problems exist in the course of implementation. I make no attempt to conceal the truth that on the human rights issue my views differ from those of the authorities in many aspects, but I do not want to impose my views on the government. I only hope that the government will, in enforcing the law, handle affairs strictly according to law and earnestly safeguard the legitimate rights and interests of citizens (including those under detention or serving sentences). Therefore, I am willing to make known to the authorities my activities. I will, in my own

personal capacity, carry out detailed investigations into specific cases involving human rights and, with seeking truth from facts and obtaining the approval of the people concerned as a prerequisite, discuss with parties concerned some phenomena of serious infringements of human rights on behalf of the people concerned or their family dependents. If I fail, I will make appeals in a legitimate and open manner. I will adhere to two basic principles in all my activities:

1. Acting within the scope permitted by existing law;
2. Openness.

NPC deputies and CPPCC members, I would like to take this opportunity to let you know my basic stance on human rights. Promoting reform and opening up and maintaining social stability are the main themes of the "two meetings" and are also the common aspirations of ourselves and the authorities. I think that promoting social stability and safeguarding human rights are not mutually opposed; on the contrary, energetically safeguarding work on human rights and arousing the enthusiasm of people of various strata is a move which conforms to the wishes of the people and can strengthen China's international position. This is an important requisite for promoting social stability.

I fully understand that safeguarding human rights and developing democracy is a gradual and orderly process. Therefore, I do not ask the authorities to do anything at once, but I hope the authorities at least can refrain from anything such as serious infringements on human rights. I think this is in conformity with the initial stage of socialism and can be done at present.

Here, I must emphatically point out:

The democratic movement is not an antigovernment movement.

Safeguarding human rights is not subverting political power.

My going around campaigning on specific human rights cases proceeds from humanitarianism. I am concerned with whether or not the rights and interests and the dignity of the individual are protected and respected. The ultimate goal is to maintain social stability and to promote the progress of democracy. My activities are not aimed at the Chinese Government, but at specific problems. I hope my good and honest wishes can be understood by NPC deputies, CPPCC members, and the authorities. At the same time, I am also willing to take responsibility for them.

I thoroughly understand that in the political environment in China at present, it is necessary to take some risks in raising objections to the behavior of the government. I am mentally prepared for suppression by organs of dictatorship because of this. However, I will feel no regret. I believe that what I am doing is just and conforms with the three requirements I set for myself when I was discharged from prison in February 1993:

Not letting down the people, not letting down history,
and not letting down my own conscience.

Wishing the two meetings complete success!

Wang Dan

10 March 1994

Beijing

Group Praises Work of CPPCC National Committee

OW0903140994 Beijing XINHUA in English 1326
GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—Members of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) gave high marks to the committee for its outstanding work in 1993.

The National Committee did a good job last year in expanding exchanges with the outside world, offering advices on major state affairs and strengthening investigative work by its special committees, members said at group discussions here today.

The CPPCC National Committee is having its second plenary session in Beijing.

Hu Xuping, a member from Kunming City of Yunnan Province, said the visit to three countries in South Asia by Li Ruihuan, chairman of the Eighth CPPCC National Committee, was a great success and has further consolidated China's friendly relations with them.

Members expressed satisfaction at the adoption of their suggestions on important state affairs by the Central Committee of the Communist Party and the central government.

Wang Jue, a well-known economist, said CPPCC should play a greater role in participating in state affairs. He suggested the CPPCC National Committee dispatch special investigative groups to large state-owned enterprises to gather first-hand information as a first step to offering good advices.

Wang Muheng from Xiamen University said that CPPCC should help the mainland establish direct transport and commercial links with Taiwan by using its resources. He said his university is to enroll more Taiwan students soon.

Ye Xuanping, a vice-chairman of the CPPCC National Committee, attended a group discussion held by representatives of the All-China Federation of Industry and Commerce, China's Chamber of Commerce. He urged CPPCC members to bear in mind the country's central task of developing productive forces and improving the living standard of the people. "CPPCC members should unite people of all social circles for fulfilling this central task," he said.

CPPCC Delegate: Party Indulges in 'Idle Talk'

HK1003044594 Hong Kong LIEN HO PAO in Chinese
10 Mar 94 p 10

[Dispatch from Beijing by LIEN HO PAO Group news team: "CPPCC Member Bluntly Says CPC Indulges in Idle Talk"]

[Text] The Chinese People's Political Consultative Conference [CPPCC] began its panel discussions yesterday. Many members launched fierce verbal attacks on the agriculture and education issues and on fighting corruption and promoting clean government. Getting worked up, one member blurted out: "What the CPC is saying is idle talk."

CPPCC members have more complaints about the issue of fighting corruption and promoting clean government. A member said: In his report to the preparatory meeting of the CPPCC on anticorruption work launched last August, Wei Jianxing, secretary of the Central Discipline Inspection Commission, said that the central authorities had investigated and dealt with eight major cases. This fully shows the determination of the central authorities to fight corruption. However, this member suggested that the central authorities should persist in fighting and stamping out corruption. Especially as the current methods of offering and taking bribes are being renewed all the time and when there is neither a third party present nor a receipt written in the course of handing over and taking bribe money, it is difficult to investigate and deal with such cases. Moreover, since corruption is widespread in economic departments, it is even more necessary to sternly stamp out corruption there.

CPPCC Members Reportedly Press for Voting Power

HK1003073094 Hong Kong LIEN HO PAO in Chinese
10 Mar 94 p 10

[Dispatch from Beijing by LIEN HO PAO News Team: "CPPCC Members Press for the Right to Vote"]

[Text] Many CPPCC (Chinese People's Political Consultative Conference) members yesterday demanded that the CPPCC should enjoy more real powers or even the right to vote like that exercised by the upper houses in foreign countries yesterday, the first day for group discussions. Again, many CPPCC members were dissatisfied with the contents of the report on work done by the CPPCC National Committee Standing Committee and leveled many criticisms at it.

The economic group is a new group set up by the Eighth National CPPCC Congress and also a dynamic group. The economic group held two wonderful discussions at the Beijing Jingfeng Guest House yesterday. When commenting on the role of CPPCC members, Xu Qingxiong, board-of-directors chairman of the Shanghai Wanguo Stock Company, said: "CPPCC members should not be content with discussing state affairs. However, they are

not entitled to participate in shaping policy decisions and can only express their views when the policies have been published."

He added: "For example, in foreign countries tax reform is decided on after lengthy debate. But in China, CPPCC members had no idea about it until the tax reform program was published." Zhao Weichen, convener of the economic group, responded: "Opinions of CPPCC members should be solicited before any decisions are made."

CPPCC members can presently participate in the administration and discussion of state affairs but enjoy no right to vote in formulating policies and bills. In his speech, Wei Yuming, CPPCC member and former deputy minister of foreign economic relations and trade, pressed for the right to vote for CPPCC members. He said that the government work report as well as important policy decisions should be presented to the CPPCC for discussions before rather than after they are published.

Wei said that CPPCC members are not representatives because "they are appointed by the authorities." He believed that CPPCC members' right to participate in the administration and discussion of state affairs should be given legal status. He further pointed out: "Abroad, CPPCC delegation usually call on the upper house or the senate. But the upper house has the right to vote while the CPPCC has not. I explained the CPPCC's role whenever upper house members asked me about it, but they did not understand what I said despite my earnest efforts. To participate in the administration of state affairs, the CPPCC must enjoy the right to vote. The CPPCC should have the same power and functions as those enjoyed by upper houses in foreign countries under the new historical situation."

In his report on the work done by the CPPCC National Committee Standing Committee, the vice chairman of the committee Ye Xuanping said that CPPCC members "should fulfill their duties without overstepping their authority." This statement evoked dissatisfaction from many CPPCC members. Tian Yinong, CPPCC National Committee Standing Committee member and former deputy finance minister, said he does not understand what is meant by overstepping authority. Another CPPCC member Lu Zhongmin, board-of-directors chairman of the First Luoyang Tractor Plant, said: "There would be no problem of 'overstepping the authority' if the rules and regulations were strictly observed. Such problems, if any, should not have been raised in the report on work done by the CPPCC National Committee Standing Committee."

Hu Sheng Interviewed on CPPCC Constitutional Amendments

OW0903165894 Beijing XINHUA Domestic Service in Chinese 0201 GMT 9 Mar 94

[Interview with Hu Sheng, vice chairman of the CPPCC National Committee and deputy head of the task force

for amending the CPPCC constitution, by unidentified XINHUA reporter, place and date not given]

[Text] Beijing, 9 Mar (XINHUA)—The draft amendments to the "Constitution of the Chinese People's Political Consultative Conference [CPPCC] have been submitted to the Second Plenary Session of the Eighth CPPCC National Committee. A XINHUA reporter has conducted an interview with Hu Sheng, vice chairman of the CPPCC National Committee and deputy head of the task force for amending the CPPCC constitution.

[Reporter] The "Draft Amendments to the CPPCC Constitution" have been submitted to the Second Plenary Session of the Eighth CPPCC National Committee for examination. As deputy head of the task force for amending the CPPCC Constitution, would you please talk about the process of the revision.

[Hu] In May 1993, the Second Standing Committee Session of the Eighth CPPCC National Committee adopted the "Decision on Partial Revision of the CPPCC Constitution." A task force was set up with Li Ruihuan as its head and Ye Xuanping, Wu Xueqing, and me as the deputy heads. After half a year of work, the "Draft Amendments to the CPPCC Constitution" have been completed and submitted to the Second Plenary Session of the Eighth CPPCC National Committee for examination.

[Reporter] Why is it necessary to revise the present constitution?

[Hu] The present constitution was revised in 1982 under the leadership of Deng Xiaoping, who was then chairman of the CPPCC National Committee. It was a good constitution which played an important role in ushering in a new situation in CPPCC work in the new period. In the past 12 years, we have made tremendous progress in reform, opening up, and the socialist modernization drive, and the state has undergone profound changes. Especially since Comrade Deng Xiaoping made those talks when he visited the south and the convocation of the 14th CPC National Congress, China has entered a new phase of reform, opening up, and the modernization drive. To meet the requirements of these changes, necessary revisions have been made to the Constitution, the CPC Constitution, and the constitutions of the democratic parties. Therefore requisite revisions to the CPPCC Constitution should also be made.

[Reporter] What are the principles you followed in drafting the amendments the CPPCC Constitution this time?

[Hu] In drafting the amendments, our principle is to take the guidelines of the 14th CPC National Congress as our guidance, to make the changes converge with the amendments to the state constitution, and to emphasize the theory of building socialism with Chinese characteristics, the basic line for the primary stage of socialism, the system of multiparty cooperation and political consultation under the leadership of the CPC, and the socialist

market economic system. We also took care to draw on the new experience and new achievements in promoting socialist democracy and CPPCC work since 1982. Provisions in the 1982 revised constitution that are still applicable today will, as a rule, remain unchanged. We are not writing a new 1994 version of the CPPCC Constitution. It is still the 1982 constitution with some partial, necessary changes.

[Reporter] What are the main contents of the present amendments?

[Hu] Contents about the theory of socialism with Chinese characteristics, the basic line for the primary stage of socialism, and the socialist market economic system have been incorporated into some pertinent paragraphs and articles. While asserting the CPPCC as a patriotic united front organization of the Chinese people, the CPPCC Constitution, as amended, goes one step further by asserting it as an important organization of multi-party cooperation and political consultation under the leadership of the CPC. It also expressly establishes that the principal functions of the CPPCC include political consultation; democratic supervision; organizing the parties, organizations, and personages representing all nationalities and quarters to participate in the deliberation and administration of state affairs; and so forth.

It is possible that changes will be made to the draft when it is examined by the Second Plenary Session of the Eighth CPPCC National Committee. It will be promulgated after approval.

Senior Leader: 'Stability Is Overriding Task'

HK1003045994 Hong Kong WEN WEI PO in Chinese
10 Mar 94 p A3

[By staff news team: "Top Central Leader Reiterates Administrative Guidelines on Eve of NPC Session, Stressing that Stability Is Overriding Task"]

[Text] Beijing, 9 Mar (WEN WEI PO)—As disclosed by an authoritative source here, when talking about the basic principle of work and general tasks for 1994, a senior CPC leader stressed that it was of the greatest importance to grasp the key points of the vast rural areas and the vast numbers of state-owned enterprises to push forward comprehensive reforms and development. On the eve of the NPC session, the abovementioned leader particularly stressed Deng Xiaoping's exposition that "stability must override everything."

According to the authoritative source, the senior central leader recently talked especially about maintaining a sustained, rapid, and healthy development in the national economy, and called on all party members, leading cadres in particular, to reach a common understanding on this issue, especially on the complete meaning of the words "sustained, rapid, and healthy."

This senior leader said: The sustained, rapid, and healthy development is a dialectical unity. In the end,

the economy will not be boosted if the development is rapid but not sustained and healthy.

He added: In proposing the general tasks of "seizing opportunities, deepening reforms, opening wider to the outside world, promoting development, and maintaining stability" for 1994, somebody suggested changing the term "promoting development" to "accelerating development." Later, after repeated deliberation, it was not regarded as feasible to accelerate only the speed because, by doing so, an organic entity cannot be formed with the other aspects. Furthermore, the word "rapid" is contained in the expression "sustained, rapid, and healthy development" already, so the term "promoting development" was finally decided to be written in the 20-character general tasks.

The central authorities called for leading cadres at all levels to correctly handle the relationship between reform, development, and stability. It is Comrade Deng Xiaoping's remark—stability must override everything—that counts. Without stability, nothing will be accomplished. For the entire party and society, stability must override everything. If we lack a stable situation, we simply have no way of developing the economy and carrying out the in-depth reform. Conversely, if the economy attains a sound development, there will be a more solid foundation for stability. How should we boost the economy? We must depend on the in-depth reform because, without it, we cannot build up a socialist market economy.

Jiang Zemin Calls for 'Crackdown' on Dissidents

HK1003060694 Hong Kong HONGKONG STANDARD
in English 10 Mar 94 p 1

[By Cary Huang, China editor, in Beijing]

[Text] Chinese President and Communist Party chief Jiang Zemin has called for a tough crackdown on elements causing chaos as the nation faces serious potential instability following sweeping reforms. The appeal to the army, military police, public security, and state security organs across the country is believed to be the prime cause of the authorities' detentions and arrests of dissidents before the annual session of the National People's Congress, to be opened today.

Mr Jiang's remarks, followed by the crackdown on leading dissidents, indicate that China may adopt a tough stance in the talks on human rights issues with U.S. Secretary of State Warren Christopher, who starts his to Beijing visit tomorrow. "Any unstable element should be wiped out when it is in the embryonic stage and any issue should be dealt with properly and thoroughly before it sprouts and grows roots," Chinese sources yesterday quoted Mr Jiang as saying to law and order enforcers.

During recent visits to the provinces, Mr Jiang, who is also the chairman of the Central Military Commission, summoned regional army, armed police, public security,

and state security officers to make his points. Mr Jiang's speeches have been compiled into a document which is now being circulated to the army and all other law enforcement departments nationwide.

Chinese sources quoted Mr Jiang as telling senior public security and armed police officers in Xian, the capital of the northwestern Shanxi Province, on 2 February, that: "We must be determined to crack down on any trouble-makers, wipe out any unstable elements, and solve any social problems that may spur instability in society at the earliest stage. And the earlier we solve these problems, the less we will suffer."

Mr Jiang, General Secretary of the Communist Party Central Committee, also called on the army and law enforcers to stay alert in the current situation at home and abroad. "We, especially those responsible for safeguarding our nation, should have a strong sense of 'suffering and misery' in this historical moment as our nation is undergoing unprecedented fundamental changes," Mr Jiang said. He urged the army and law enforcers to try their best to ensure a stable social environment and law and order by suppressing dissidents and criminals. "Law enforcement departments should do their best to safeguard the achievements in development and reform and ensure that this endeavor by the Chinese Communist Party and the people should not suffer overnight because of the negligence of our comrades," Mr Jiang said.

The party chief explained that the sense of "suffering and misery" required every comrade in the enforcement departments to stay alert at all times. He said enemies at home and abroad had never abandoned their plots to undermine China's national unity and sabotage China's reform and development cause—adding that the human rights row was one such case. However, Mr Jiang said the domestic and world political and economic situation was very good and favoured China's ruling party and the people.

Jiang Zemin Calls For Party Members To Study More

OW0703101294 Beijing XINHUA in English 0940
GMT 7 Mar 94

[Text] Beijing, March 7 (XINHUA)—Chinese president and Party Chief Jiang Zemin stressed here today that all members, especially officials, of the Communist Party, should spend more time and effort on study.

The general secretary of the Central Committee of the Chinese Communist Party was speaking at a seminar of people attending a four-day national party school working conference which ended here today.

The seminar was presided over by Hu Jintao, Standing Committee member of the Political Bureau of the party Central Committee.

Jiang said that with more efforts devoted to study, all the party's work would go more smoothly.

The point of study, he said, was to have a good grasp of the theory of building socialism with Chinese characteristics. In addition, he said, all members of the party should make great efforts to learn the basics of a socialist market economy and related policies, laws and regulations.

They should also know something of modern science and technology, and learn from the experience of Chinese history, especially modern history, and the international history of socialism.

Jiang noted that the Communist Party had always paid attention to study, especially when the whole party faced a new situation and fresh tasks. The great achievements that China had made during the past 15 years were to a large degree the fruits of study, he said.

"A blueprint for a new economic structure was drawn up through the decisions made at the Third Plenary Session of the 14th Party Central Committee last year," he said. "Our reform, covering economy, politics, culture and social life, is making a rapid progress. The rapidly changing situation presents to us many new problems and thorny questions and the difficulty in our work has increased. The way out is to admit our weaknesses and find solutions through profound studies," he said.

The general secretary reiterated at the seminar that while studying Deng Xiaoping's theory of building socialism with Chinese characteristics, one should take into his heart its essence—mind emancipation and seeking truth from facts—and study hard to grasp a dialectical, historical, materialist and scientific world outlook and methodology.

He called on all local party schools to further observe the policy of integrating theory with practice in their teaching. Party schools should, adjusting to the new situation, improve their education quality to a higher level.

Jiang Zemin Signs Taiwan Investments Law

OW0903131194 Beijing XINHUA Domestic Service in Chinese 1039 GMT 5 Mar 94

[Text] Beijing, 5 Mar (XINHUA)—PRC Presidential Decree No. 20

The "Law on the Protection of Investments of Taiwan Compatriots in the PRC," which has been passed by the Sixth Meeting of the Eighth National People's Congress Standing Committee on 5 March, is hereby promulgated and enters into force upon promulgation.

[Signed] PRC President Jiang Zemin

[Dated] 5 March 1994

Tian Jiyun, Others Pay Last Respects to Pu Jie

OW0703112494 Beijing XINHUA in English 1047
GMT 7 Mar 94

[Text] Beijing, March 7 (XINHUA)—Hundreds of people including relatives and friends gathered at Babaoshan Cemetery here today to pay their last respects to the remains of Aisin Giorro Pu Jie.

The younger brother of Aisin Giorro Pu Yi, China's last emperor, Pu Jie died in Beijing on February 28, aged 87.

He was a deputy to the 8th National People's Congress (NPC), member of the NPC Standing Committee, vice-chairman of the NPC Nationalities Committee and a special member of the Cultural and Historical Data Research Committee of the Chinese People's Political Consultative Conference (CPPCC).

Among those paying their last respects were NPC Vice-Chairmen Tian Jiyun, Chen Siyuan and Buhe, and CPPCC National Committee Vice-Chairmen Ye Xuanping, Wang Zhaoguo, Ngapoi Ngawang Jigme and Zhao Puchu.

Japanese Ambassador to China Kunihiro Michihiko was present as representative of the Japanese emperor and empress, who presented a wreath.

Born in 1907, Pu Jie studied military affairs in Japan, and married a relative of the Japanese royal family. He later dedicated himself to the course of peace and friendship between China and Japan.

Pu Jie was also a well-known calligrapher and poet.

Zou Jiahua Stresses 'Accuracy' in Statistics

OW0903120094 Beijing XINHUA Domestic Service in Chinese 1051 GMT 23 Feb 94

[By correspondent Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 23 Feb (XINHUA)—Speaking at a national statistics work conference today, Zou Jiahua, vice premier of the State Council, stated emphatically: Statistical information is a yardstick for monitoring the way the national economy and society function. In carrying out statistical work, we should stress accuracy, timeliness, comprehensiveness, and convenience, attaching primary importance to accuracy. We should establish a statistical survey methodology based on periodic general surveys which are essential; which are focused on regular sampling checks; and which are supplemented by surveys in selected areas, scientific calculations, and the general application of a small number of wide-ranging statistical reports.

What new demands has the socialist market economy set for statistical work? Vice Premier Zou said: The state's economic management mode should shift from the management of tangible aspects of the economy, the management of microeconomic activity, and direct management to the management of intangible aspects of the economy,

macroeconomic activity, and indirect management. In making macroeconomic policy decisions and exercising macroeconomic regulations and control, the party Central Committee and the State Council have often been confronted with the following three questions: 1) What is the current state of operations of the national economy and society? 2) Does the national economy and society function normally? If not, how should they be regulated and controlled? 3) What are the results of the implementation of macroeconomic regulatory and control measures? These three questions are closely related to statistical work and cannot be separated from the latter even for a moment. It would be difficult to make policy decisions on the national economy in the absence of ample information, scientific advice, and effective supervision by a statistical system.

Zou Jiahua added: To establish a socialist market economic structure, we should nurture and develop an information market. The commercialization and industrialization of information is one of the priority tasks in establishing a market system. Because statistical information reflects the general state of national economic and social development and is the main part of economic, social, scientific, and technological information, actively nurturing and vigorously developing a statistical information market are tasks that brook no delay. Statistical departments should fully play their role as the main departments in charge of socioeconomic information, should make great efforts to plan and manage national socioeconomic information and consultation services, and should vigorously promote the effective distribution of socioeconomic information so all of society can share it.

Zou Jiahua noted: We must further carry out reform and opening up in statistical work in accordance with the need to establish a socialist market economic system. We should shatter traditional concepts regarding statistics, and in accordance with the general law of the market economy, should boldly draw on advanced international statistic-related science and technology to institute a statistical system suited to China's conditions. We should exercise stronger centralized and unified leadership, and should scientifically and effectively organize national statistical work and national economic accounting work. We should radically reform our statistical surveying methods and develop surveying methods which are not all-encompassing, placing special emphasis on widely promoting sampling surveys.

Zou Jiahua said emphatically: The statistical survey plans developed or approved by the State Statistical Bureau in accordance with the law are binding as national laws and regulations. All legal entities and citizens must fill in their forms truthfully; this is a bounden duty for every legal entity and citizen. The current practice of filing false statistical reports by the leaders of some localities, departments, and units—who are driven by personal honor and advancement, or by certain types of political honor and material benefits for small groups—is quite serious. Some of them even go so

far as to retaliate against statisticians who dare maintain their principles. We should sternly investigate and deal with such negative and corrupt practices.

Wan Li Urges Localities To Promote Education

OW0803192194 Beijing XINHUA Domestic Service in Chinese 0937 GMT 18 Feb 94

[Text] Beijing, 18 Feb (XINHUA)—Wan Li, honorary president of the China Youth Development Foundation, emphasized recently that it is essential to give high priority to the development of education and that governments at all levels should attach importance to education and make great efforts to go a good job in education, particularly basic education.

Wan Li had a discussion at Zhongnanhai with comrades from the China Youth Development Foundation. On the implementation of the Hope Project, he said: At present, some localities cannot guarantee even the issuance of teachers' wages. They spend money on sedan cars and wining and dining instead of building schools and developing education. They should not have done so. Other localities fail to pay teachers because of financial difficulties. However, in my view, teachers' wages must not be in arrears no matter how poor we are or how difficult our situation. Wan Li said: In the final analysis, the trial of national strength is a competition of talented people. To keep pace with the world's development, we are emphasizing meeting the needs of the next century. In other words, we should train a cross-century generation of new people, and the key to training is education.

Wan Li said: At present, poor regions have two problems in education. One is they have no schools, and the other is, even if they have schools, school-age children there cannot afford to attend them. There is a vicious circle of illiteracy causing backwardness in the economy and stupidity creating poverty. So, we should redouble our efforts to build more schools, and all the people should be concerned about education and the future of our country. I approve of a slogan: let us basically wipe out the phenomenon of some poor children being deprived of schooling and ensure schooling for all school-age children by the end of the century.

On the orientation of running rural schools, Wan Li said: Rural education should develop in the direction of promoting vocational education. I suggest that we should take the road of integrating agriculture, science, and education in running rural schools. In pastoral areas, for instance, we should teach children animal husbandry and the skills to develop the grassland economy, in addition to reading. Wealth is created by man. With scientific and technological personnel, the rural areas will become prosperous and the country will become rich and strong.

Wan Li emphasized: Developed regions should also attach importance to the development of education, and the success and failure of education should be regarded as one of the criteria for appraising leading cadres' job

performance. I have been told that some children in developed regions are engaged in business operations instead of attending school. Such a practice is absolutely impermissible. We should use legal means in ensuring schooling for children. Without schooling, nothing can be achieved. Now, parents in urban areas spoil their only child and want the child to seek high marks with the sole purpose of advancing to a higher-level school. They pay no attention to cultivating their child's ability to be independent nor do they consider the child's overall development. In this way, how can the child meet the needs of a modern society? In conclusion, Wan Li said: The Hope Project is a nice thing. If everyone puts in efforts, it is certain that education will be successful.

Hu Kangsheng Announces 'State Compensation Law'

HK1003112694 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1022 GMT 23 Feb 94

[Text] Beijing, 23 Feb (ZHONGGUO TONGXUN SHE)—The "State Compensation Law" (draft), an important law formulated by China to develop a socialist market economy and guarantee the rights and interests of citizens, has been submitted to the National People's Congress [NPC] Standing Committee for examination and approval. It is expected to be promulgated very soon.

Hu Kangsheng, vice chairman of the NPC Standing Committee's Legal System Work Committee who took part in the drafting of the law, said in Beijing the other day that the draft law stipulates that the state organs must undertake the responsibility for compensation in light of the "State Compensation Law" if state organs and functionaries are involved performing their functions in an illegal manner that encroaches on the legitimate rights and interests of citizens, legal persons, and other organizations.

Hu Kangsheng said that the range of compensation mainly comprises two fields: First, administrative compensation, which is aimed at duly expanding the scope of administrative compensation on the basis of administrative procedural law and in view of the currently existing problems. Second, criminal compensation, which is aimed at compensating the innocent who were mistakenly detained, arrested, or sentenced in the criminal suit.

Hu Kangsheng pointed out that the standard and method of state compensation are determined in light of the following principle: The losses of the victim must be duly compensated, the state's economic and financial capacity should be taken into account, and it should be easy to calculate.

Regarding the organs responsible for making compensation, Hu Kangsheng said that the losses caused by administrative organs and personnel in performing their functions in an illegal manner that encroaches on the rights and interests of citizens, legal persons, and other organizations should be compensated by that organ and

those personnel. Criminal compensation for mistaken detention, arrest, and sentence is to be made by the organs responsible for making compensation.

While discussing the procedures for state compensation, Hu Kangsheng quoted the draft provisions: The victims first should file an application to the organs responsible for making compensation and the latter should reach an agreement on compensation with the former within two months. The latter also may reach an agreement with the former on compensation right away, through consultations.

When this State Compensation Law is made public soon, Hu said, the legitimate rights and interests of Chinese citizens will be further ensured. It also will impel state organs and their personnel to perform their functions according to law, to improve their work, and to run a clean administration.

Article Sees Uphill Battle in Reforms

OW1003070894 Beijing XINHUA in English 0636
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—China's reforms this year involve a multi-faceted dimension of changing ideologies, building up new systems, and readjusting the interests of various localities and departments, according to today's "PEOPLE'S DAILY".

In a signed article, Ren Zhongping says that 1994 is an important year for China to speed up the process of establishing a socialist market economic system and extend a package of new reforms.

Fostering a main market, improving a market system and upgrading a regulatory system are the three aspects that must be "pushed ahead abreast", the article says, adding that "breakthroughs" must be made on the micro and macro levels of the market economy.

The author calls the tasks an uphill battle like "storming fortifications".

The present is the optimum time to mount such a battle, Ren says, citing the courage and resolve that are needed to overcome the difficulties.

Otherwise, a rare historic opportunity will slip by and a sustained, high-speed and healthy growth of the national economy can not be maintained. Consequently, the next strategic objectives of the national economy and social development will not be able to be realized. Worse still, it would be very likely that China would be lingering in a predicament of inflation and low-speed economic growth, warns the lengthy article.

The transition from the co-existence of a planned economy and a market economy to a single-track market economy will deeply touch the interests pattern formed under the old system.

What is more, the major transformation from the bottom-up self-initiated reforms and the top-down delegation of power and giving up of interests to the coordinated and organized implementation by people at both ends demand new adaptability, Ren says.

Therefore, the authority of the central government should be upheld and a concept of overall interests be formed in order to successfully effect the move from "the advancing of a single program" to "the advancing of overall programs".

The article says it is necessary to use legal means to guide the reforms and manage the economy when policy formulation gives way to laws and regulations.

The author warns against the tendency among some people to think "reforms are an issue for the government and development is our business".

The article says, "we are in the same boat and everyone is involved in the current reforms. We should unite as one to win the battle."

Punishment Against Illegal Border Crossing

OW0703150294 Beijing XINHUA Domestic Service in
Chinese 1144 GMT 5 Mar 94

[All numbering, subheading, and ellipses as received]

[Text] Beijing, 5 Mar (XINHUA)—Supplementary Provisions of the Standing Committee of the National People's Congress on Severely Punishing Crimes of Making Arrangements and Providing Transportation for Other People To Secretly Cross National Territories (Borders).

(Adopted by the Sixth Session of the Standing Committee of the Eighth National People's Congress on 5 March 1994)

In order to severely punish criminal elements who organize and provide transportation for other people to secretly cross national territories (borders) (or cross the sea), or to secretly cross national territories (borders) for short in the following paragraphs, stop the criminal activities of secretly crossing national territories (borders) and maintain order in the administration of exit and entry, the following supplementary provisions are to be added to the Criminal Law:

1. Those who make arrangements for other people to secretly cross national territories (borders) shall be punished by a fixed-term imprisonment from two to seven years and, in addition, be fined. Those who commit one of the following crimes shall be punished by a fixed-term imprisonment of seven or more years or by life imprisonment. In addition, they shall be fined or their properties shall be confiscated:

1) The principal elements of illegal groups which make arrangements for other people to secretly cross national territories (borders).

2) Those who repeatedly make arrangements for other people to secretly cross national territories (borders) or those who make arrangements for many people to secretly cross national territories (borders).

3) Those who make arrangements for other people to secretly cross national territories (borders) and, in the process, cause serious injuries or death to the stowaways.

4) Those who make arrangements for other people to secretly cross national territories (borders) and, in the process, deprive or limit the personal freedom of the stowaways.

5) Those who use violence or threats to refuse inspections;

6) Those who receive large amounts of money from such illegal activities; and

7) Those whose cases are especially serious.

Those who make arrangements for other people to secretly cross national territories (borders) and, in the process, kill, injure, or rape the stowaways or kidnap and sell the latter and those who kill, injure, or commit other crimes against inspectors may be punished by death sentence in accordance with the stipulations of the law.

2. Those who provide passports, visas, and other exit documents for other people to secretly cross national territories (borders) in the name of labor exports, economic, and trade contacts or other false reasons shall be punished in accordance with Article 1 of these provisions.

Units which commit the above-mentioned crimes will be fined and the persons directly responsible, including persons in charge as well as others involved, shall be punished in accordance with article 1 of these provisions.

3. Those who provide fake or altered passports, visas, and other exit-entry documents for other people or resell passports, visas, and other exit-entry documents shall be punished by a fixed-term imprisonment of less than five years and, in addition, be fined. Those who commit above-mentioned crimes and whose cases are serious shall be punished by a fixed-term imprisonment of five or more years and, in addition, be fined.

4. Those who transport other people to secretly cross national territories (borders) shall be punished by a fixed-term imprisonment of less than five years, detention or surveillance and, in addition, be fined. Those who commit one of the following crimes shall be punished by a fixed-term imprisonment from five to 10 years and, in addition, be fined:

1) Those who repeatedly transport other people to secretly cross national territories (borders) or those who transport large number of stowaways;

2) Those who use unsafe boats, vehicles and other means of transportation to transport stowaways and may have serious consequences;

3) Those who receive large amounts of money for such illegal activities; and

4) Those whose crimes are especially serious.

Those who transport other people to secretly cross national territories (borders) and in the process cause serious injuries or death to stowaways and those who use violence or threat to refuse inspection shall be punished by a fixed-term imprisonment of seven or more years and, in addition, be fined.

Those who kill, injure, or rape stowaways or kidnap and sell stowaways and those who kill, hurt, or commit other crimes against inspectors may be sentenced to death in accordance with the stipulations of the law.

Those who transport other people to secretly cross national territories (borders) under circumstances that are not as serious may not be sentenced to prison, but shall be detained by public security organs for less than 15 days and, in addition, be fined from 5,000 to 50,000 yuan.

5. Those who secretly cross national territories (borders) shall be either detained by public security organs for less than 15 days, or fined from 1,000 to 5,000 yuan, or punished with a combination of both. When the circumstances are odious, they shall be punished by a fixed-term imprisonment or detention of less than two years. In addition, they shall be fined.

6. If state personnel who are in charge of passports, visas, and other exit-entry documents obviously know those who are attempting to secretly cross national territories (borders) and approve their exit-entry documents, or if state personnel who are in charge of border defense or customs affairs obviously know those who are attempting to secretly cross national territories (borders) and let them pass, they shall be punished by a fixed-term imprisonment, detention, or surveillance of less than three years. When the circumstances are serious, they shall be punished by a fixed-term imprisonment from three to ten years.

If state personnel collude with criminal elements who make arrangements or provide transportation for others to secretly cross national territories (borders) and carry out activities mentioned in the preceding paragraph, they shall be punished in accordance with articles 1 and 4 of these provisions.

7. Illegal earnings gained through violating these provisions as well as tools of transportation and communications or other properties owned by criminal elements for the use of criminal activities or owned by those who obviously know that these things are to be used by others for criminal activities shall be confiscated.

8. These provisions shall be effective on the day of promulgation. Appendix:

Relevant Articles of Laws

1. Criminal Law

Article 132. Whoever intentionally kills another is to be sentenced to death, life imprisonment, or not less than

ten years of fixed-term imprisonment; when the circumstances are relatively minor, the offender is to be sentenced to not less than three years and not more than ten years of fixed-term imprisonment.

Article 134. Whoever intentionally injures another is to be sentenced to not more than three years of fixed-term imprisonment or criminal detention.

Whoever commits the crime noted in the preceding paragraph and causes a person to be seriously injured is to be sentenced to not less than three years and not more than seven years of fixed-term imprisonment; if he causes a person's death, he is to be sentenced to not less than seven years of fixed-term imprisonment. Where this Law has other stipulations, matters are to be handled in accordance with such stipulations.

Article 139. Whoever by violence, coercion, or other means rapes a woman is to be sentenced to not less than three years and not more than ten years of fixed-term imprisonment.

Whoever has sexual relations with a girl under the age of fourteen is to be deemed to have committed rape and is to be given a heavier punishment.

Whoever commits a crime in the preceding two paragraphs, when the circumstances are especially serious or a person's injury or death is caused, is to be sentenced to not less than ten years of fixed-term imprisonment, life imprisonment, or death.

When two or more persons jointly commit rape in succession, they are to be given a heavier punishment.

2. Decision of the Standing Committee of the National People's Congress Regarding the Severe Punishment of Criminal Elements Who Seriously Endanger Public Security

1) With respect to the following criminal elements who seriously endanger public security, punishment above the maximum punishment stipulated in the Criminal Law may be imposed, up to and including imposition of death sentences:

....;

2) Those who intentionally injure others, causing a serious injury or death, when the circumstances are odious or those who commit violence and do injury to state personnel and citizens who accuse, expose, or arrest criminal elements and stop criminal conduct.

3. Decision of the Standing Committee of the National People's Congress Regarding the Severe Punishment of Criminal Elements Who Abduct, Sell, and Kidnap Women and Children

1) Those who abduct and sell women and children shall be punished by a fixed-term imprisonment from five to ten years. In addition, they shall be fined less than 10,000 yuan. Those who commit one of the following

crimes shall be punished by a fixed-term imprisonment of more than ten years or life. In addition, they shall be fined with less than 10,000 yuan or their properties shall be confiscated. When the circumstances are especially serious, they shall be punished by the death sentence and their properties shall be confiscated:

....;

4. Those who induce or coerce abducted women to become prostitutes or sell abducted women to others who in turn force them to become prostitutes;

5. Those who cause abducted women, children, or their relatives serious injury or death, or other serious consequences;

6. Those who sell women and children outside of the territory.

Survey Samples Political Views of Young People

HK0803051094 Beijing ZHONGGUO QINGNIAN BAO in Chinese 22 Feb 94 p 7

[By Liu Shulin (0491 2579 2651): "How Young People Viewed Society in 1993"]

[Text] From October 1992 to May 1993, a survey and analysis on current ideological and political conditions among young people was jointly carried out by the China Youth Research Center and the School of Political Studies for Young Chinese; by youth research centers in the provinces and municipalities of Beijing, Shanghai, Guangzhou, Shandong, Liaoning, and Lianyungang; and by the Guangxi Communist Youth League [CYL] School and Sichuan's Pioneer Radio Factory.

The objects of the survey were students, scientific and technological personnel, teachers, CYL cadres, and young people in other professions whose ages ranged from 18 to 35. Emphasis was placed on young people who have high educational attainments.

The issues revealed by the survey are now analyzed as follows:

1. Political Attitudes Become Stable

Among respondents to the questionnaires, those who said they "care" or "care very much" about the 14th party congress accounted for 42.6 percent and 46.5 percent respectively, and the total was 89.1 percent. Those who said they "do not care" accounted for only 1.4 percent. Those who said they "support" and "fully support" the resolutions adopted by the 14th Party Congress accounted for 37.9 percent and 37.4 percent respectively, and those who said they "obey the party's decisions" accounted for 17.9 percent, so the total for those who gave a positive and enthusiastic response accounted for 93.2 percent, while 6.8 percent of the respondents said they would "have to think about it."

Another survey by questionnaire aimed at university students shows:

When a questionnaire-type survey was extended to a wider scope of young people, asking their opinions on China's current political situation, the results showed:

Those who thought the political situation was stable or relatively stable accounted for 88.7 percent, those who thought it was not adequately stable accounted for only 9.5 percent, and those who did not care accounted for only 1.8 percent. Looking at their professions, we can find that teachers and students in particular tended to view the political situation as stable or relatively stable, as 90.3 percent and 89.6 percent of them respectively said so; the percentage of scientists and technicians who said so was lower at 76.7 percent. Among those who thought the political situation was not stable enough, young graduate students in particular thought this way, as 18.5 percent of them said so.

Before and after the spring festival of 1992, a "red sun craze" emerged in the whole country. Responses by young people to questions concerning this phenomenon were: 1) respect for the leader of the revolution (23.1 percent); 2) new idolatry (7.9 percent); 3) trying to be fashionable (21.2 percent); 4) nostalgia (18.7 percent); 5) dissatisfied with the current situation (15.4 percent); and 6) hard to tell (13.7 percent).

What is the status of the party's four cardinal principles in the new period, which centers on economic construction? Among young people, 80.5 percent said "they must be upheld," 14 percent said "some areas must be upheld," and 2.1 percent said "there is no need for them to be upheld." A survey in October 1988 asked a question which read: "In your opinion, is it necessary to uphold the four cardinal principles in order to carry out reform?" Among those who answered only 28.7 percent said "it is very necessary," and a majority of them chose "it is necessary but must not become rigid" (53.56 percent). Those who said "it is not necessary" and "it does not matter" accounted for 7.61 percent.

2. Optimistic About Economic Reform

Answering a question on the way for our country's economic reform, 42.5 percent of respondents advocated strengthening the market economy, and 36.4 percent advocated putting the market in the main position and planning in a supplementary position. Persons showing a positive attitude by choosing these two answers accounted for 78.9 percent, while those advocating the planned economy accounted for 21.3 percent.

Regarding publicity given by the mass media to the great tide of reform, most young people thought it was conducive to emancipating the mind (42.1 percent) and attracting foreign capital (29 percent), and the total was 71.1 percent.

As for the market economy mechanism itself, no one was against it.

Concerning the newly announced reform measures, the result of the survey exceeded all expectations by showing that most young people were optimistic about them.

We then came to the issue of adjusting and increasing goods prices. In an 1988 survey of ideological conditions among young people throughout the country, 92.75 percent of the respondents to the questionnaires thought that panic buying at that time was caused by a loss of control over price reform and the people's inability to adapt to the lifting of restrictions on prices, 65.71 percent thought that restrictions on prices must be lifted on condition wages are increased correspondingly, and among the "10 most worried about problems," young people put "random price increases" in first position, as 63.79 percent of them said so.

But this kind of response changed during the recent survey. The questionnaires tried to find out the reason for calmness among the people in light of recent increases in transportation and fuel prices by the state, and the result was: Among the respondents, 43.6 percent said they "realize that this is required by the development of a socialist market economy," 31.1 percent said their "ability to withstand price adjustments has increased," while 21.2 percent chose the unenthusiastic answer that "there is no method even if one is dissatisfied," and 4.1 percent said the increases "bred discontent."

We then came to the issue of not assigning jobs to university graduates. This was an issue which emerged in 1988 and caused controversy. In the past, most university graduates have been opposed to the implementation of this policy, saying that it would lead to unhealthy practices such as going through the back door. But the recent survey showed some changes. Among those responding to the question of "how would you evaluate the state's policy of not assigning jobs to university graduates," 37.4 percent said it "can arouse enthusiasm for study among students," 26.2 percent said the policy would "boost the unhealthy practice of going through the back door," 26 percent said the policy "is a policy not applicable at this time because of a lack of conditions," and 10.5 percent said "it is hard to say." Here we can see that among young people, the proportion of those who support the reform is higher; of the three rival opinions, the one with an optimistic attitude had the edge.

3. Hate Corruption and Call for Reform

Young people's grievances against social problems mainly originates from corrupt phenomena among party and government personnel. This situation is basically similar to the results of the 1988 survey.

A question in the questionnaires asked: "What is your assessment of the extent of the emerging phenomenon of corruption?" Of the respondents, 89.3 percent thought the corruption phenomenon at this time is very serious or rather serious, and this was an absolute majority; on the other hand, only 2.9 percent said that it was not serious, only 1.4 percent said that it did not matter or

they did not care about it, and 6.4 percent said that it was hard to tell. These three answers accounted for only 10.7 percent. Arranged in order of the degree of hatred, the five kinds of evil social phenomena hated most by young people are: bureaucracy, abuse of power for private interest, corruption and bribery, dissolute lifestyles, and others.

Among the four choices for the statement that "the crux of our country's reform of the political system is," most respondents chose "eliminating corruption and establishing democratic decisionmaking and democratic supervisory mechanisms," which accounted for 50.3 percent of answers, while the second most popular choice was "separation of the party and government, separation of government and enterprises, and streamlining government and delegating power to lower levels," which accounted for 41.1 percent. In the 1988 survey, the most popular answer to the same question was "separation of party and government (47.8 percent), and the second most popular choice was "democratic decisionmaking" (30.15 percent), while the radical advocacy of "stripping them of their special privileges" ranked fifth among seven crucial measures.

One question asked: "What do you think is the most important factor harming the stable situation in the socialist country?" In order of popularity, the 10 choices are ranked as follows: 1) a backward economy and low living standards; 2) the legal system is not sound and the social order is chaotic; 3) a poor law and order situation; 4) lackluster efforts to combat corruption; 5) price increases; 6) unfair distribution; 7) timid reform and opening up; 8) agitation by foreign reactionary forces; 9) influence from contemporary Western trends of thought; and 10) unstable policies.

When comparing the process of reform of the political system with the process of reform of the economic system in our country, most young people thought that reform of political system had lagged behind reform of the economic system (57.7 percent), while the other three choices made up 42.3 percent.

4. Young People Are More Chaotic in Areas of Ideology and Theory

Within the questionnaire there was a question which asked about the "situation of faith in socialism among most of the young people around you," and the survey showed:

Only 7.7 percent said they had firm faith, while 14.2 percent said they had no faith, and both were small proportions. Most young people were in the condition of "having faith, but also puzzled."

Analyzing by level of educational attainment, we may see that graduate students are the most pronounced in saying that they "have no faith," as 27.3 percent of them at this level said so, and 5.4 percent of undergraduates and students at higher learning institutes also said this. However, only 6.3 percent of those at the middle-school

level said this, and this is far lower than the rate at the graduate-student level. Analyzing by profession, we may see that 9.3 percent of scientists and technicians said they "have no faith," and this is the highest percentage; 6 percent of teachers and students said they had no faith; and only 1.6 percent of CYL cadres said they "have no faith," and this was the lowest percentage.

In the questionnaire, one question read: "Listed below are various kinds of understanding of patriotism. Which would you tend to pick? The result was: 37 percent of respondents thought that "to be patriotic, one must love socialism"; 38.2 percent thought that "to be patriotic, one does not necessarily have to love socialism"; and 24.8 percent thought that "to be patriotic, one at least is not opposed to socialism." The first two choices were more pronounced.

We then came to the socialist market economy. During conversations and discussions, we discovered that quite a number of young people thought that socialism with Chinese characteristics is in fact capitalism with Chinese characteristics.

Within the questionnaire, a question read: "In your opinion, how does China's democracy look when compared with capitalist countries?" Of the respondents, 28.3 percent thought that "China's democratic system was better," 7.8 percent thought that "the democratic system in capitalist countries was better," and a majority, 57.6 percent, thought that "each has its own advantages and disadvantages."

The questionnaire also asked about the essence of the great changes in the former Soviet Union and East Europe, and 57.3 percent of respondents thought that these changes were peaceful evolution caused by capitalism, 21.4 percent thought that the changes were the "roads of reform chosen by the various countries themselves," and 11.8 percent attributed the changes to the failure of the socialist system.

"What is the main reason, in your opinion, for the several student movements since reform?" The answers were as follows: "Caused by social problems" was chosen by many people (accounting for 41.6 percent), while 15.9 percent of young people thought that student movements were a way to express themselves, and 7.5 percent thought that student movements were an embodiment of patriotism. Those who thought that the student movements were influenced by the trend of bourgeois liberation thoughts accounted for 27.4 percent, and those who thought young students were not mature enough and prone to cause trouble accounted for 7.7 percent. An analysis based on the level of educational attainment shows that the graduate-student level was the most pronounced in assessing the student movements with an affirmative attitude (94.8 percent), and this attitude dropped a bit among undergraduates and students in higher learning institutes (65.9 percent). An analysis based on profession shows that more scientific and technological personnel and teachers hold an affirmative

attitude toward the student movements, making up 73.7 percent and 69.3 percent respectively. The percentage among students dropped a bit to 62.9 percent.

In the past, in the area of assessing student movements, there has been a similar tendency of affirmation. Within the questionnaire, a question asked about the cause of the 1985 student movement, and 47.8 percent of respondents said it was caused by "dissatisfaction with the unhealthy trend at that time"; 18.5 percent said "it was patriotic, opposing the resurrection of Japanese militarism"; 22.6 percent said "it was instigated by people who have ulterior motives"; and 11 percent thought it was caused by the "inability to adapt to the reform, opening up, and new situation." Those who gave an affirmative assessment accounted for 66.3 percent, and those who gave a negative assessment accounted for 33.7 percent.

When asked "what is the major worry in your life," most young people chose "too low income" among the seven available choices. Other choices were ranked in order of popularity as follows: a lack of housing, poor interpersonal relations, not being able to apply what you have learned, difficulty in getting married and in love affairs, not having any way to give play to one's talents, and difficulty in going out of the country. In the 1988 survey, the "low income" answer ranked in fifth position, and the other four choices ranked in order of popularity were: random price increases, leaders treating people unfairly, dissatisfaction with current job, and a lack of good recreational venues.

In the survey, a question asked: "What, in your opinion, is the goal which is most difficult to reach in the process of catching up with and surpassing the four little dragons of Asia?" Those who chose "level of educational development" accounted for 48.5 percent, 26.2 percent chose "level of economic development," 15.4 percent chose "level of social morals," and 9.9 percent chose the "level of science and technology." Here we can see that young people are very pessimistic about the current situation and future of education. Primary and secondary education, especially primary and secondary education in rural areas, is in many aspects worse than in the period shortly after the liberation. The road to university education for peasant children is becoming narrower and narrower. There is a shortage of funds for universities to the extent that university presidents have no mood to grasp teaching, but spend their energy mainly on creating channels of income.

As for going to university with one's own money or the real possibility that one must go to university by paying one's own fees in the future, quite a number of university students and their parents said they could not bear. When answering the question: "What is your view on going to university by your own expense," 43.9 percent of respondents said they "could not bear it," 37.5 percent said they "could bear it," and 18.6 percent said they "do not care."

Studies Show Women Bear Brunt of Social Changes

HK0903154894 Hong Kong MING PAO in Chinese 24 Feb 94 p A10

["Newsletter From China" by Leng Mou (0397 4188): "Females Bear the Brunt of Drastic Social Changes: More Than Two Percent of Mainland Female Staff Lose Their Jobs"]

[Text] As disclosed by the blue book entitled "Analyses and Predictions on China's Social Situation," which has just been published in Beijing, a survey conducted by the All-China Federation of Trade Unions in 1993 on 900,000 female staff and workers and more than 1,000 enterprises on the mainland discovered that female staff and workers who were forced to leave their original jobs (to be referred to as "go off posts" hereinafter) as a result of "optimum organization" within enterprises accounted for 60 percent of the total number of staff and workers having "gone off posts" and 2.3 percent of the total number of female staff and workers. The mainland's women's organizations and social personalities feel that the achievement of "stable employment for women," resulting from the emancipation of women since 1949, now is on the wane.

The mainland's "Regulations on Labor Protection for Female Staff and Workers" provide that women at work can take 90 days of maternity leave, but in the course of optimizing organizations in enterprises, some enterprises in various localities took pregnant and post-delivery women on rest leave at home as an excuse to dismiss redundant personnel, forcing them to take leave for as long as three to seven years, or up to 10 years and more. Punishment was meted out to those who refused to obey. Under the circumstances of drastic social changes, whether these female personnel will be able to take up their jobs again is a difficult question to predict.

At present, mainland enterprises generally practice the regulations that personnel should retire ahead of time, at 45 for women and 50 for men, which means five years earlier than the retirement ages stipulated by the state. Moreover, enterprises with poor performance have even adopted punitive measures to force personnel to retire. In the first half of 1993, the Female Staff and Workers Department of the All-China Federation of Trade Unions conducted a survey in various localities, in which it discovered that many enterprises had lowered the retirement age for women to 40. However, among the female staff and workers who are over 40, only approximately 20 percent favor retirement ahead of time. These are mostly women personnel who are capable of seeking employment by themselves, some have a better family financial situation, and a small number are in poor health. However, more than 80 percent of female staff and workers are unwilling to retire ahead of time, and are enduring extremely onerous mental and physical pressure, and struggling to survive.

Tan Shen, a specialist on women's issues from the Institute of Sociology under the Chinese Academy of Social Sciences, pointed out: Today, women's issues on the mainland can be divided roughly into two types: One is the issue concerning reform, which mainly shows that in the course of reform, urban women are losing some of the protection they enjoyed under the former structure, so that new problems have emerged for six to seven years, during which women have undergone a process of feeling deeply frustrated and knowing that they have to find a way out for themselves. Now, a new pattern is gradually taking shape. The other issue is the one concerning development, which mainly shows that rural women, as well as urban women who are not working under the current structure, have paid a high price in the course of development, in which problems such as the "blood-and-sweat salary system," prostitution, the abduction and sale of women, and so on have cropped up, and serious attention has been paid to them from various quarters. However, there are still no effective measures at present.

Today, women on the mainland have fewer opportunities for development, but more troublesome matters than men. This is not attributed primarily to child-bearing, but to the division of labor in the families for the difference of sex: the revival and escalation of the old practice of men in charge of social affairs and women in charge of household routines. It has further developed into the division of labor in society for the difference of sex: the emergence of occupations requiring a certain sex, as well as sex discrimination pertaining to them. Therefore, in the tendency toward diversification, the choice and development for women are unavoidably restricted to their sex and matrimony. This tendency is still developing now.

Economic & Agricultural

Jiang Zemin Meets With IBM Chairman

OW0803124894 Beijing XINHUA in English 1114
GMT 8 Mar 94

[Text] Beijing, March 8 (XINHUA)—Chinese President Jiang Zemin met with Louis Gerstner, chairman and chief executive of the International Business Machines Corporation (IBM), and his party here today.

They exchanged views on Sino-U.S. cooperation in the information industry.

Gerstner told Jiang that IBM is willing to contribute to the development of China's information projects.

The cooperation between IBM and Chinese companies has a bright future, Jiang assured Gerstner.

Hu Qili, Chinese minister of electronics industry, took part in today's meeting.

Established in 1914, IBM is now a multinational corporation, famous for its information processing systems. It ranks top of the computer and information industry worldwide.

Zhu Rongji Urges Controlling Scale of Investment

HK0903082094 Hong Kong HSIN PAO in Chinese 9
Mar 94 p 2

[By Chen Pi-chun (7115 4310 0689) in Beijing: "Zhu Rongji Orders High-Ranking Officials To Strictly Control Scale of Credit and Capital Construction"]

[Text] Recently Zhu Rongji, vice premier of the Chinese State Council and president of the People's Bank of China, notified high-ranking officials in central ministries and commissions of the key policy on this year's monetary work and asked them to strictly control capital construction and credit scales. Zhu Rongji's instructions indicate the recurrence of willful fund raising.

Zhu Rongji pointed out that the policy for monetary work this year will basically exercise macroregulation and control. He stressed: The "rules and regulations" set by the national monetary work meeting in July last year should continue to be implemented; financial institutions are not allowed to violate these regulations to raise funds, to build development zones without authorization, or to speculate in stock or real estate businesses.

As learned, capital construction in China was planned to reach 800 billion yuan, but turned out to be 1,100 billion yuan, far exceeding the plan. According to an estimate by a mainland official, 40 percent of the investment in capital construction was spent on cement, steel, other building materials, and equipment; some was used for workers' wages. As a result, 40 yuan out of each 100 yuan invested became consumption funds, which constitutes purchasing power in the market and has caused successive price hikes.

As reported, China's scale of capital construction investment this year will be bigger than last year, reaching more than 1,500 billion yuan. According to Zhu Rongji's plan for monetary work, the key to controlling the scale of capital construction is to control bank loans and plug channels for willful fund raising. With these aspects under control, the issuance of money can also be controlled and inflation reduced. The authorities plan to control inflation to below 10 percent this year and reduce inflation next year to about 6 percent, Zhu Rongji pointed out.

As was learned, two-thirds of China's investment in capital construction last year was in local construction projects, while one-third was used under central plans. Now, provinces and cities throughout China, out of consideration for their own interests, are carrying out their own capital construction projects, including airports, highways, power stations, and ports. All of these are proceeding in excess of the state annual plan and are

dispersing state financial and material resources. However, reports say that the Chinese authorities have postponed reforms to the central bank, the policy banks, and the commercial banks from the beginning of this year to the second half of this year.

Officials Announce Future Nationwide Price Checks

Zou Jiahua Urges Control Over Pricing

OW0703163994 Beijing XINHUA in English 1614 GMT 7 Mar 94

[Text] Beijing, March 7 (XINHUA)—China is soon to launch a nationwide price check, a senior official said.

At a tele-conference today, Vice-Premier Zou Jiahua urged the strengthening and improvement of control over pricing in order to curb excessive price rises.

Zou said that to create an environment favorable for implementing various reform policies, it is necessary to keep an overall economic balance and a reasonable economic structure.

Redoubled efforts should be made to increase market supply, especially production and supply for residents' daily necessities, he said.

He stressed that any price reform program to be put into effect must be approved and arranged by the State Council and no arbitrary price rise should be allowed.

He said that the pace of establishing a sound price control system should be quickened and the supervision and administration over the prices of daily necessities and services should be strengthened.

He called for efforts to guide residents' consumption and ease the fear of inflation.

Chen Jinhua, minister in charge of the State Planning Commission, said at the conference that the check will cover all enterprises, and individual households engaging in industry and commerce as well as government institutions and the illegal and arbitrary charges since the latter half of 1993.

Serious violations will be traced back to the latter half of 1992, Chen said.

The check will be conducted mainly on the prices of daily necessities as well as service charges, the minister said.

The check will be started later this month.

Chen Jinhua Warns Violators To Be Punished

HK0803070494 Beijing CHINA DAILY in English 8 Mar 94 p 1

[By He Jun: "Zou Launches Huge Price Probe"]

[Text] Setting up a price-control system is a key and urgent task in China's drive to develop a market economy, said Vice-Premier Zou Jiahua as he announced a nationwide price inspection in Beijing yesterday.

Zou urged central and local governments to make every effort to restrain price hikes.

And he added: "To ease the controls on some prices during economic reform does not mean we should let all the prices go adrift."

The massive price inspection, which is to start immediately, has been ordered by the State Council in a bid to ease inflationary pressure which has been mounting since late last year, said government officials.

China's annual inflation rate was 13 per cent in 1993, but the figure in 35 large and medium-sized cities shot up to 23.3 per cent in January this year.

The central government has pledged to keep this year's inflation rate below 10 per cent.

Zou told a nationwide telephone conference that the key to checking rises was balancing supply and demand around the country, while developing sound price controls.

He urged governments at all levels to stop market demand expanding too far.

This could be done with rigid control of money supply and capital investment and by improving the production and supply of people's daily necessities, said Zou.

He stressed that, price reforms should be carried out strictly according to the State Council's schedule, so as to reduce any shocks for consumers.

Temporary price limits would be introduced to control major fluctuations in the price of vital goods and services, he said.

He also stressed that a comprehensive system to regulate prices should be established, which would include setting up reserves for some key agricultural products, a grain risk fund and food price fund.

The inspection will start, later this month and is expected to get results by the end of June, said Chen Jinhua, Minister of the State Planning Commission.

It will investigate unauthorized price increases imposed on goods and services by enterprises, private businesses and government institutions since last June, said Chen.

The inspection will also be looking for serious price violations dating back to June, 1992, he added.

Some enterprises have taken advantage of finance, tax and exchange rate reforms brought in at the end of last year to arbitrarily raise the price of their products and services in violation of government regulations.

The inspections aim to root out corruption, said Chen.

The probe will also seek out other violations such as unauthorized rises in the prices of public transport, commercial services and agricultural production materials such as chemical fertilizers, plastic covers, pesticides and diesel oil.

Chen pledged violators would be severely punished, especially those who attempt to disrupt the inspection. He encouraged people to report such cases to the authorities.

Zou Jiahua Calls For Safety in Production Operations

OW0903094294 Beijing XINHUA in English 0833
GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—Vice-Premier Zou Jiahua called on all departments and governments at all levels to stress safety in all sectors of production operations all over China at a teleconference Tuesday [8 March].

At the conference, Zou noted that last year, especially in the third quarter, China witnessed many major accidents.

He called on local government leaders to examine seriously the state of safety in production and to take effective measures to prevent accidents.

He said that safety was an important aspect of maintaining social stability and security.

He urged local governments and enterprises to improve the responsibility system for safe production and to deal with the cases of major accidents, especially with bureaucracy.

He said that enterprises should allocate special funds for safety-oriented technological transformation.

He demanded better safety inspections in the enterprises, especially in some overseas-funded enterprises and rural enterprises.

He also called for safety training among employees and to raise the levels of safety precautions.

Budget Deficit Forecast To Top 70 Billion Yuan

HK1003043694 Hong Kong SOUTH CHINA
MORNING POST in English 10 Mar 94 pp 1, 11

[By Chris Yeung]

[Text] China is heading for a deficit of nearly 70 billion yuan (HK\$62.16 billion) this year, according to the budget speech that Finance Minister Liu Zhongli will deliver to the National People's Congress tomorrow. The Budget will paint a grim, if realistic, picture of the financial state of the country.

Sources who read a copy of Mr Liu's speech last night said the Finance Minister had predicted a slowdown in the growth of revenue and a surge of expenditure this year, leading to a gargantuan shortfall.

Total expenditure in 1994 is projected at 542.9 billion yuan, up by 15 percent from last year. The central treasury is forecast to receive a total of 475.9 billion yuan of revenue this year, representing a 7.7 percent increase over the previous year.

This results in a budgetary shortfall of 67 billion yuan. By contrast, the budget deficit for 1993 was 20.5 billion yuan. However, Mr Liu said the accounting system this year had been changed to bring the Budget more in line with international practice.

Chinese economists said last night that the change had made it difficult to gauge the true extent of the difference between the deficits. They pointed out that if the new accounting system had been used last year, the deficit would have been much higher than 20.5 billion yuan.

Mr Liu said that the increase of revenue for 1994 would be "restrained" by the fact that the "revenue base" last year was already considerable and that room for expansion was limited. Tax exemption to be given to the ailing state industrial sector would mean a cut of income of 14 billion yuan, he said. Mr Liu also said the total size of domestic and foreign debts would reach a staggering 129.2 billion yuan this year, up by 39.3 billion yuan from 1993.

Allocations for agriculture would be boosted to 37.8 billion yuan, which translated into a dramatic growth of 17.4 percent over the previous year. Agrarian-related expenditure include the setting up of a risk fund, increased investments for the rural sector in general, and measures to guarantee an increase for the income of farmers of at least five percent a year.

Science, technology culture, and education will get an increase of funds from 18 to 20 percent in the face of frantic lobbying from these sectors.

On the expenditure plan for 1994, a staggering 187.4 billion yuan has been set aside for providing funds to regions. It is understood that these cover tax returns to regions under the new tax reform programme.

Nonproduction type of infrastructure is estimated to cost the central treasury a total of 12 billion yuan.

Expenditure on social development will reach 19.4 billion yuan.

A total of 62.3 billion yuan will be spent under a category called "construction of the Government and regime." It is not known whether that also covers defence expenditure.

The central treasury is to spend a total of 13.1 billion yuan on price subsidies.

According to the Budget, the actual revenue in 1993 stood at 511.4 billion yuan, up by 23.2 percent.

The actual total expenditure last year was 531.8 billion yuan, representing an increase of 21.2 percent.

Total expenditure on defence in 1993 was 43.2 billion yuan, slightly higher than the estimate of 42.5 billion yuan in last year's budget. The Budget attributes the increase of expenditure to funds for money-losing enterprises, wages doubling from an estimated four billion yuan to eight billion.

The Finance Minister revealed that the financial situation both at the central and region levels had been so severe that some regions had met difficulty in paying wages for workers. Describing the financial situation as "severe" and "tough," Mr Liu said the tight situation would be aggravated further by factors such as the high-level investment in fixed-assets, increased procurement prices for grain, and higher expenditure on wages for civil servants.

Mr Liu has laid down the major tasks for this year as: Tightening control on expenditure, strengthening macro-level adjustment and control, cutting expenditure by governments of all levels; increasing funding for education, agriculture and infrastructure development; and limiting the money supply. The Finance Minister also indicated that funds for national defence and the law-and-order establishment would be "assured." Analysts expect the defence budget to go up on a par with the 13 per cent increase granted to the People's Liberation Army last year.

In his 25-page report, Mr Liu insisted that drastic fiscal reform in the past two months had proven "correct" with no major problems resulting. But he would call on legislators not to relax their fiscal prudence because there was always discrepancy between the targets laid down in the policy and the reality. "This is inevitable," Mr Liu said.

He urged regions to coordinate their interests and keep a constant watch on the implementation of tax reform. Any problems should be nipped in the bud before they get worse, he said.

Regions were warned to take the "overall national interest" above their own and not to make their own local regulations on taxes and other financial matters. Mr Liu will also urge delegates to strictly follow the Budget, adding any local level budget deficits "will not be acceptable." The battle against malpractices in taxation such as evasion and avoidance should continue unabated he said.

Localities will also be asked to ensure the smooth issuing of government bonds. Under the new budget, the central government is to curb expenditure while ensuring adequate funds for essential capital projects.

State Organs Call For Improved Economic Efficiency

OW0803104094 Beijing XINHUA Domestic Service in Chinese 2130 GMT 17 Feb 94

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 18 Feb (XINHUA)—In analyzing our country's industrial economic efficiency last year, the State Statistical Bureau, the State Planning Commission, and the State Economic and Trade Commission recently drew the following conclusion: By and large, our country's industrial economic development still relies on extensive management, and the improvement in industrial economic efficiency is conspicuously characterized by "growth-based efficiency." In the new year, we should pay greater attention to improving the inherent quality of industrial economic operations while taking care to maintain moderate industrial growth in the economy.

Based on the analysis, it is not difficult to discern from the statistics that last year's industrial economic efficiency largely stemmed from an expanded production scale, more extensive management, and price increases. The general level of industrial economic efficiency remained low, with uneven development in different regions. These are the apparent factors leading to the difficulty in improving industrial economic efficiency: Additional factors behind increased expenses and reduced profits which were difficult for enterprises to absorb, heavy losses incurred by some enterprises, and excessive funds tied up by finished products in enterprises. More profound problems were the irrational industrial structure, poor efficiency in the distribution of resources, and the failure by industrial enterprises to change their operating mechanisms to keep pace with the market economy. Given the current general balance in total supply and demand, the irrational industrial structure is especially prominent and has a profound impact on the improvement of the general level of industrial economic efficiency. The main cause of this situation is the scramble among some localities in recent years to make investments and to start, indiscriminately arrange, and duplicate projects against the backdrop of an irrational investment structure and the diversity of the main sources of profits.

With regard to this year's industrial economic development, the three organs admonished all localities and industrial enterprises to truly shift the focus and basis of their economic work to the central path of improving economic efficiency; to abandon the traditional practice of chronically relying merely on increased investment, an expanded production scale, and extensive management; to accelerate industrial restructuring; to effect a genuine shift in industrial economic development from extensive management based on growth rates to intensive management based on efficiency; and to realize sustained, rapid, and healthy development in the industrial sector of the economy.

SPC Transmits 1994 Industrial, Transport Plan

OW0803202994 Beijing XINHUA Domestic Service in Chinese 0844 GMT 21 Feb 94

[Reporter Li Anding (2621 1344 1353)]

[Text] Beijing, 21 Feb (XINHUA)—As an important step to deepen reform of the planning structure, the State Planning Commission recently transmitted a production plan for industrial and transport sectors for 1994, with projected targets as the main body.

The projected targets are mainly aggregate targets whose function is to provide information guidance; generally aggregate targets will not be subdivided and transmitted to lower levels. The scope and number of products under the mandatory plan are further scaled down and reduced with the promotion of the projected targets. In terms of gross industrial output value, the ratio of the output plan for industrial products controlled by the State Planning Commission plan in 1994 is down to 20 percent from 24 percent the previous year; the number of product targets under the mandatory plan is down to 33 from 36, down 8.3 percent from the previous year; in terms of gross industrial output value, the ratio of output value of the mandatory plan (including state orders) was down to 4.6 percent from 6.8 percent the previous year.

There have also been great changes in the contents of the mandatory plan. Price controls on most of the products under the mandatory plan have been lifted, and the differences between the prices of a small number of products that have not been totally lifted and the market prices have gradually narrowed. Generally, the state only does necessary balancing work on the production conditions of certain products that fall under the mandatory plan and ceases to provide blanket guarantees for external production conditions of products that fall under the mandatory plan.

The 1994 production plan for the industrial and transport sectors provides strengthened planning management for key enterprises' electricity consumption and for rail transport, because they have the effect of imposing the constraint of a "bottleneck" on the national economy. To optimize the electricity supply and to ensure normal production by key enterprises, the State Planning Commission, the State Economics and Trade Commission, and the Ministry of Power Industry transmitted the 1994 plan for electricity consumption by key enterprises. As for a small number of enterprises which undertake the heavy tasks of the state mandatory plan or undertake the production of important products that affect the national economy and the people's livelihood, the transport of their products has been incorporated into the 1994 plan; railroad departments will give priority to transporting their products.

National Economy, Society Make 'Giant Strides'

OW0903064494 Beijing XINHUA in English 0610 GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—China's national economy and social progress have advanced with giant strides, according to six major economic indexes.

Statistics show that the country's gross domestic product (GDP) was 1,000 billion to 2,000 billion yuan (about 100 billion to 220 billion U.S. dollars) between the end of the 1980s and the early years of the 90s.

For the first time, the GDP topped 3,000 billion yuan last year.

The total retail volume of consumer goods was 1,000 billion yuan-worth last year, following average annual increases of 100 billion yuan for the previous two years.

The output of pork, beef and mutton totalled over 30 million tons in 1993, 9.7 percent up over the previous year.

The per capita income for urban residents reached 2,000 yuan (about 220 U.S. dollars) last year.

The total areas of housing built annually, which had been about 100 million sq m [square meters] a year for over ten years, reached 200 million sq m in 1993.

The actual use of foreign funds by China reached 30 billion U.S. dollars last year.

Economic analysts hold that these statistics mean that China's economy has reached a new height.

Chemical Ministry Issues Emergency Circular

OW0903060894 Beijing XINHUA Domestic Service in Chinese 0114 GMT 23 Feb 94

[By reporter Sun Jie (1327 2638)]

[Text] Beijing, 23 Feb (XINHUA)—The Ministry of Chemical Industry recently issued an emergency circular urging chemical industrial departments and chemical industrial enterprises in all localities to take prompt action to increase chemical fertilizer production and to increase the effective supplies of chemical fertilizers to meet spring farming needs.

With the start of the busy spring farming season, chemical fertilizers have been in short supply in some localities. At the same time, chemical fertilizer production has continued to decrease due to increased costs, shortage of funds, and other problems—the situation is grim. The emergency circular urged all localities to faithfully carry out their chemical fertilizer production plans, elaborately organize their production work, carry out the preferential policies the state has adopted toward chemical fertilizer production enterprises, and create favorable external conditions for chemical fertilizer production. The circular also urged all enterprises to directly

sell their chemical fertilizers to grass-roots supply and marketing cooperatives or peasant households, to market their products jointly with grass-roots farming materials supply and marketing cooperatives, or to appoint these cooperatives as their sales agents, in order to reduce intermediate links and to ease peasants' burdens. The circular also urged all enterprises to properly arrange loans for the storage of chemical fertilizers during slack seasons.

It has been learned that the Ministry of Chemical Industry will soon send six work groups to all localities to look into the situation of chemical fertilizer production and marketing.

Official Views Taxation Policies for Foreign Firms

OW0803061694 Beijing BEIJING REVIEW in English
No 10, 7-13 Mar 94 pp 16-17

[Interview with Zhang Xianghai, deputy director general of the State Administration of Taxation, by staff reporter Li Ning; place and date not given—first graf is BEIJING REVIEW introduction]

[Text] Since China's new policies for reforming the country's taxation system went into effect on January 1 this year, many foreign investors have expressed great concern about possible changes on taxation policies for foreign-funded enterprises. In a recent interview with a reporter from BEIJING REVIEW, Zhang Xianghai, deputy director general of the State Administration of Taxation, answered questions concerning the issue. Excerpts follow:

QUESTION: [Q] What modifications concerning the taxation of foreign-funded enterprises are found in the current taxation reform?

ANSWER: [A] Taxation reform concerning enterprises using foreign investment and foreign enterprises includes the following major aspects: According to the decision adopted by the Fifth Session of the Standing People's Congress, effective on January 1, 1994, foreign funded enterprises and foreign enterprises became subject to national unified taxes such as value-added tax, excise duty and business tax. Imposition of the taxes was necessary to develop both the socialist market economy and a fair taxation system, and was in line with the demands of a majority of foreign-funded and foreign enterprises. The reforms adopted the important principle of placing no undue tax burden on foreign-funded enterprises in order to ensure the consistency and stability of China's taxation policies. Simply stated, the state established taxation rates based on avoiding both increases or decreases in the general level of tax burden. In general, the reform measures guarantee state revenue, while at the same time avoiding placing an added tax burden on enterprises. Nonetheless, changes in the taxation structure and channels of taxation will inevitably result in minor increases or decreases in taxes on certain products and enterprises. As part of an effort to solve

this particular problem, the state will implement necessary policies and measures to ensure a smooth transition from the old taxation system to the new. According to a recent decision approved by the Standing Committee of the National People's Congress, foreign-funded enterprises established before December 31, 1993, which face an increased tax burden due to imposition of value-added tax, excise duty and business tax, will with the approval of taxation authorities, receive refunds for increased tax payments during their term of business operations within five years. Foreign-funded enterprises established after January 1, 1994, are subject to the new tax law.

Q: Following the unification of income taxes on domestic enterprises, domestic enterprises enjoy tax rates equivalent to those of foreign-funded enterprises. However, the latter previously enjoyed various other privileges. Are preferential policies such as these still valid?

A: The taxation reform confirms that the Income Tax Law of the People's Republic of China for Enterprises With Foreign Investment and Foreign Enterprises, effective as of July 1, 1991, will remain in effect and the various privileges stated in the law will remain unchanged. At present, however, domestic enterprises enjoy tax rates equal to those of foreign-funded enterprises. This is aimed at providing conditions and opportunities for enterprises to compete on an equal footing. Preferential policies granted to foreign funded enterprises will remain unchanged. On the basis of unifying tax rates for domestic enterprises, the state will, at an appropriate time and after necessary preparations, use legal means to unify the income system for both domestic and foreign enterprises through the promulgation of The Enterprise Income Tax Law of the People's Republic of China.

Q: Previously, various localities arbitrarily established development zones and granted certain preferential taxation policies without having first obtained the approval of the central government. How do state taxation authorities plan to approach this issue?

A: While it is necessary to provide preferential taxation policies for foreign investors, such policies should be enacted in strict accordance with the law. Preferential taxation policies should be designated only by the central government, which alone has the final say concerning the issue. China is a large country with 30 provinces (excluding Taiwan), municipalities and autonomous regions, hundreds of cities and thousands of counties. Confusion would reign if local governments were allowed to proceed as they wished. Allowing them to do so would not only lessen the original function of preferential taxation policies, but would also destroy the country's overall taxation environment. Preferential taxation policies are only part of the investment environment, and other factors such as resources, infrastructure and labor conditions are perhaps more important. In 1992, the State Council issued the Circular on Strengthening Taxation

Administration and Strictly Controlling Tax Reductions and Exemptions. The circular contains two articles concerning the taxation of foreign-funded enterprises, reaffirming that all preferential taxation policies arbitrarily designated by local governments and departments which are contradictory to the state taxation laws and regulations are invalid, and should immediately be withdrawn or rectified. The circular also stated that all economic development zones lacking the approval of the State Council are prohibited from receiving various preferential taxation policies granted to approved state level development zones. The State Council's effort to rectify the situation is designed to guarantee the correct implementation of taxation laws and regulations in order to protect the legitimate interests of investors.

Q: What is the situation concerning tax revenue received from foreign-funded enterprises during the past 15 years of reform and opening?

A: Since implementation of the reform and opening policies, China has adopted a series of preferential taxation policies to encourage foreign businessmen to invest in the country. The preferential policies have played an active role in attracting foreign investment and accelerating economic development. Throughout the period, China's tax revenues from foreign funded enterprises have increased substantially on an annual basis. In 1992, tax revenues from foreign-funded enterprises soared to 10.7 billion yuan, a dramatic 52 percent increase over the previous year, and the figure hit 20 billion yuan in 1993.

In terms of reforms of the taxation system, China has insisted on the following three principles—the protection of national interests, facilitating the opening effort, and gradually instituting generally accepted international practices. China will continue to abide by the three principles in any future taxation reform.

Wages of Foreign Experts To Increase by Half

OW0903103294 Beijing XINHUA in English 0824 GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—The wages of foreign experts working in China will be increased by 50 percent, back-dated to January 1, 1994, according to sources from the State Bureau of Foreign Experts.

The move is intended to protect the foreign experts' standard of living from the effects of the merger of China's two-tiered foreign exchange rates and from the rise of prices.

For experts from abroad coming to work in China in the future, said the sources, new salary policies will be applied, under which the monthly salary of a foreign expert in the culture and education sphere will be 2,000 to 4,800 yuan (230 to 550 U.S. dollars), and that of other foreign citizens working in China 1,200 to 2,000 yuan (138 to 230 U.S. dollars).

Foreign experts' holiday subsidies are to be raised, too.

The salaries of other foreign experts in the culture and education sphere, and of other foreigners, brought to China under cooperation agreements of governments, friendly cities, college-to-college exchanges and people-to-people exchanges will be settled through negotiations, the sources said.

The new salaries are in addition to the continuing arrangements providing the foreign experts with housing, transportation and health care.

State Council Sets Power Investment Profit Rate

HK0803130694 Hong Kong MING PAO in Chinese 7 Mar 94 p A10

[By staff reporter Yang Liu (2799 2692): "State Council Makes Decision That Profits of Mainland Power Plants Invested in by Foreign Businessmen Are Not Allowed To Exceed 12 Percent"]

[Text] According to a Beijing source, the State Council made a decision not long ago which said that in Sino-foreign joint-venture power plants, the investment returns of the foreign partner should not exceed 12 percent. The Chinese side may reject excessive demands made by foreign parties.

The source told this reporter yesterday that an official in charge of the State Council had personally taken up the matter involving a hydropower plant, a Sino-foreign joint venture in Zhuhai. He instructed that the foreign party's request for an 18 percent return on investment must not be accepted. Later, the foreign party lowered the return on investment to less than 15 percent, which was accepted by the Chinese side. However, the State Council pointed out that the case should not be taken as a precedent.

The source pointed out: "In recent years, localities have tried by every means to develop Sino-foreign joint power projects on a large scale. More than 300 letters of intent and agreements have been signed over the past three years. However, only a limited number of projects eventually have proved successful."

He continued by saying that some provinces and cities were overanxious for quick results, accepting the harsh terms proposed by foreign parties, including high rates of return on investment. This case has aroused attention of the State Council.

Owing to a lack of experience during the initial period of attracting foreign investment in power projects, some southern provinces accepted the request by a Hong Kong company for a 50 percent return on investment and for fixing the price of coal at 90 yuan per ton for a long term.

According to the source, the State Council, in principle, has set the return on investment for foreign parties in

Sino-foreign power project ventures at 11-12 percent. If the foreign party makes excessive demands, the Chinese side may reject the request.

China's total installed capacity was 167 billion kw by the end of 1993, and 840 billion kw of electricity was generated during the year. Of this, 671.5 billion kw was generated by thermal power plants, 127 billion kw by hydropower plants, and 1.5 billion kw by nuclear power plants.

Last year China invested 52.2 billion yuan in power construction, newly adding installed capacity of 12 billion kwh. The state plans to invest 6 million yuan [as published] this year and the newly installed capacity should be higher than that in the previous year.

He continued by saying that the per capita consumption of electricity in mainland China is 600 kwh, while the figure is over 5,000 kwh in the United States and over 2,000 kwh in Hong Kong, Japan, and Britain.

To meet the standard of intermediate-level developing countries, where the per capita consumption of electricity is 1,000 kwh, he said, China will have to increase its installed capacity to 1.2 billion kwh.

To vigorously develop power construction in the future, the source said, China will pay equal attention to thermal, hydropower, and nuclear power. At present, China is now selecting sites along the coast for building nuclear power plants. He continued by saying that high growth has been registered in China's economy and industry. For this reason, it is imperative to develop energy. On the premise of rationality and mutual benefit, China is willing to cooperate with investors from all countries to build more power plants in China.

He pointed out that progress has been smooth for the Zhuhai power plant, built by Zhuhai in cooperation with Hong Kong's Cheung Kong and other corporations. A number of large thermal power plants will be open to foreign investment, and tenders will be invited from all countries very soon.

Periodic Nationwide Surveys To Be Established

OW0803192894 Beijing XINHUA Domestic Service in Chinese 0833 GMT 22 Feb 94

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] To obtain detailed information on some important aspects of national conditions and national power, our country has established a system of periodic general surveys based on scientific and rational statistical surveying methods. The areas to be covered by general surveys, the times when such surveys are to be conducted, and the organization of and funding for such surveys will all be codified into laws or regulations.

According to the State Statistical Bureau, general surveys are comprehensive statistical surveys specifically organized by the state. Because of their extensive scope and

the employment of multiple indicators, such surveys can yield detailed statistical data that can be grouped into different categories based on different indicators. Besides providing major and basic statistical data on national conditions and national power, such surveys will furnish a sample framework for conducting all kinds of spot checks. Although our country has successfully conducted some general surveys since its founding, a periodic system has yet to take shape for general surveys other than census-taking.

The State Statistical Bureau has decided: From now on, a sound periodic system has to be instituted gradually for all general surveys on national conditions and national power. The main items of general surveys will include population, industry, agriculture, tertiary industry, and other basic statistical units [ji ben tong ji dan wei 1015 2609 4827 6060 0830 0143]. Censuses and general surveys on tertiary industry, industry, and agriculture will be carried out every 10 years, with the first at the end of each decade and the remainder in the third, fifth, and seventh years of each decade, respectively. General surveys on basic statistical units will be carried out every five years, in the first and sixth years of each decade. Some surveys of relatively small scale or regional surveys will be scheduled for other years.

It has been disclosed that the State Council has approved the nationwide general survey on agriculture scheduled for 1997. The State Statistical Bureau and relevant ministries and commissions will make specific plans this year.

Black Market Rates for Yuan Increasing Nationwide

Beijing Now 8.88 Yuan to Dollar

HK0903034694 Hong Kong EASTERN EXPRESS in English 9 Mar 94 p 8

[By C.W. Ernst]

[Text] After six months of currency stability, the renminbi is coming under renewed selling pressure on black markets around the country. In Beijing, black market traders were yesterday buying dollars at a rate of US\$1 to Rmb8.88, a premium of more than 2 percent on the local swap market and almost 5 percent on rates, inclusive of commission, offered by banks.

In Guangzhou and Shanghai, black market rates were lower, ranging between Rmb8.80 and Rmb8.83 to the dollar, but traders' expectations were that dollars are set to become more expensive. "Suddenly a lot of people want dollars and there aren't enough around," a black market dealer in Beijing said.

Until two weeks ago, black market rates for dollars had remained in line with the Rmb8.7 to the dollar rate at which China unified its currency on January 1. But change has come quickly. Black market rates in Beijing have moved to Rmb8.8 to the dollar over the past 10

days. Official bank rates, which follow prices in China's swap centres, have remained unchanged. The People's Bank of China, the central bank, and the State Administration of Exchange Controls manipulate dollar rates in the swap markets by controlling access to the market and by setting price limits. Swap centres opened yesterday at Rmb8.68 to the dollar.

"The return of the black market is a sign that in economic terms things are going in the wrong direction," a Beijing-based diplomat said. "At these levels there is no need for dire concern, but the government should take it as an early warning."

At current rates, the black market is already likely to draw tourists, expatriates and small companies with dollar revenues away from China's banks and swap centres. "The vast majority of companies won't be tempted to break the law," the diplomat said. "But if we get a spread of 5 to 10 percent, there could be a serious problem."

Trading volumes in China's black markets are at present reckoned to be tiny compared with that of the swap centres, but the black market dollar rate has an important psychological role. Any depreciation of the renminbi on the black market brings pressure to bear on the People's Bank of China to allow depreciation of swap market rates.

Bankers in Beijing and Shanghai yesterday pointed to two main reasons for the renminbi's sudden black market depreciation. The first is an increase in money supply in the last quarter of 1993. This liquidity is now feeding through into the economy and more renminbi is chasing a static supply of hard currency. The second factor is inflation, currently at over 20 percent in the big cities, which means people do not want to hang on to renminbi.

None of the bankers yesterday would hazard a guess as to where the black market dollar rate is headed. Black market traders themselves said the momentum was upwards.

The free market, however, is likely to receive visits from the police if it continues to operate at official expense.

Banks Offer Only 8.48 Yuan to Dollar

HK0903113494 Hong Kong AFP in English 0955 GMT
9 Mar 94

[Text] Beijing, March 9 (AFP)—Some eight months after Vice Premier Zhu Rongji stepped in to restore stability to China's plunging currency, the yuan's dollar value on the street is again moving away from bank exchange rates.

Black market traders in Beijing were Wednesday buying dollars for up to 8.87 yuan, compared with Tuesday's close of 8.696 yuan on the so-called "united market,"

comprising five swap markets linked earlier this month by computer ahead of a planned nationwide exchange beginning April 1.

Banks were meanwhile offering just 8.48 yuan to the dollar.

Until the end of February, the rate on the street had closely trailed the swap market—which has hovered around 8.7 yuan to the dollar since the unification of the country's dual currency system on January 1.

"There are lots of people wanting to buy now and there's not enough dollars," one black market trader said.

Offshore Oil Head Interviewed on Vast Gas Fields

HK1003062194 Beijing RENMIN RIBAO in Chinese
20 Feb 94 p 2

[By staff reporter Fei Weiwei (6316 0251 0251): "There Is a Vast Gas Area in South China Sea—Interviewing Wang Yan, President of China National Offshore Oil Corporation"]

[Text] In 1993, China National Offshore Oil Corporation devoted great efforts to prospecting for natural gas, for the first time, in the Yinggehai-Qiongdongnan Basin in Nanhai [South China Sea].

A great victory was scored in the first trial. In 1993, two gas fields were discovered. One was the Ledong 15-1 Gas Field and the other was the Dongfang 1-1 Gas Field.

Before this, great discoveries had been made in prospecting for natural gas in Yinggehai-Qiongdongnan Basin. A decade ago, when drilling a well in the contracted Yacheng 13-1 zone in Yinggehai, the U.S. company Arco discovered the Yacheng 13-1 gas field, which is now under construction and will deliver gas to Hong Kong in 1996.

As there are three gas fields within the same basin, what kind of prospects does it indicate?

Hence, this reporter interviewed Wang Yan, president of China National Offshore Oil Corporation not long ago.

President Wang, who took part in the prospecting and construction of the first offshore well in our country and once acted as the head of Nanhai Xibu Petroleum Corporation, was extremely familiar with the Nanhai Sea waters. For him, he carries in his mind a map depicting the situation of natural gas prospecting in Nanhai.

As introduced by President Wang, Yinggehai-Qiongdongnan Basin is a rapidly subsiding basin, and such a geological environment is the best place for producing and storing natural gas. This point is also illustrated by the current situation of the Yacheng 13-1 gas field in this basin which has already been proved.

The gas-bearing sandy layer of the Yacheng 13-1 gas field is over 100-meters thick. With the assessment and calculation made by a third independent party—U.S. Geological Advisory Company, which is a worldwide authority, the reserves of this gas field are estimated at 100 billion cubic meters, which is equivalent to an oil field with 100 million metric tons of crude reserves. Compared with natural gas fields which have been discovered in our country, the reserves of Yacheng 13-1 gas field amount to approximately 50 percent of the remaining proved reserves in the whole area of Sichuan; and its size, abundance (referring to the gas-bearing area per square kilometer), and productive capacity is markedly better than that of gas areas in Shaanxi, Gansu, and Ningxia. It is the largest single gas field discovered in our country so far.

The reserves of the two gas fields newly discovered last year are also quite large. Now, efforts are being vigorously made to drill wells there for assessment.

Last year, China National Offshore Oil Corporation drilled two exploratory wells, but the attempts failed because the pressure was too high. However, the "failure was gratifying" because it was only the project which failed but a layer of quite abundant gas was found in the two wells. According to seismic measures, the gas-bearing sandy layer was more than 200 meters thick, whereas in the Yacheng 13-1 gas field, which has 100 billion cubic meters of reserves, the gas-bearing sandy layer was over 100 meter thick. Hence, if the drilling of the third well in this structure, which has already been carried out, is successful and can be further verified, we will have a large gas field with reserves even greater than that of Yacheng 13-1 gas field by 100 to 200 percent. What is gratifying is that China National Offshore Oil Corporation has also found the structure of Yacheng 23-1 gas field around the area which is similar to Yacheng 21-1 gas field.

An area of over 260,000 square kilometer in the Yinggehai-Qiongdongnan Basin can be prospected and geologists have already discovered over 100 formations. There are four types of formations for producing and storing natural gas in this basin, and now gas fields have been found in three of them, which will, no doubt, greatly widen the scope of finding gas and indicate very gratifying prospects. The China National Offshore Oil Corporation has set the "joint development of oil and gas" as a long-term strategy of development. From last year onwards, it was unequivocally stated that in the future priority would be given to gas extraction. Consequently, in the first year of "giving priority to" gas extraction in the Yinggehai-Qiongdongnan Basin, reports of new successes kept pouring in.

The trend of gas extraction is gratifying but also pressing. President Wang Yan said: In 1994, the China National Offshore Oil Corporation will further give priority to the Yinggehai-Qiongdongnan Basin. Now the corporation has set up a leading group headed by the chief geologist to handle the project in the vast gas area in Nanhai.

Investment in the Yinggehai-Qiongdongnan Basin will be increased from 400 million yuan to 600 million yuan, and we are going to drill six exploratory wells and three assessment wells. At present, three well-drilling vessels are intensively carrying out work in this area.

When talking about the significance of discovering a vast gas area in Nanhai, President Wang pointed out: Natural gas is a fine-quality and pure fuel and also important for industrial chemicals. Natural gas accounts for approximately 30 percent of the world's total of energy production and consumption, among some developed countries account for 50 percent, whereas in our country it accounts for a mere three percent. Hence, our country has a very great potential in developing the natural gas industry. In particular, as the vast gas area in Nanhai is adjacent to coastal areas in the southeast, which are economically developed but extremely short of energy, the market prospects are very good.

Finally, President Wang pointed at the locations of several key exploratory wells on the map, held up three fingers, and smiled and said, "Even if the chance is one out of three, there is a very high probability of finding a vast gas area." He said with full confidence, "This year, we must definitely make a major breakthrough in the vast gas area in Nanhai."

XINHUA Carries News Briefs for 10 Mar

OW1003025594 Beijing XINHUA in English 0219
GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—Today's news in brief:

New Air Route

Hubei Airlines, a branch of South China Airlines, Wednesday [9 March] opened a new air route from Wuhan city, capital of central China's Hubei Province, to Zhanjiang city, in south China's Guangdong Province.

From later this month, there will be flights twice a week.

New TV Channels

China Central Television (CCTV) is expected to open another two channels for sports and movie programs, director Yang Weiguang said recently.

CCTV already has four channels. According to Yang, Channel Two will mainly present economic programs and Channel Three will present art programs with more musical TV programs.

Rewards for Talents

The Sichuan Provincial government recently awarded 100,000 yuan in prizes to each of the seven scientists and technologists in the province, who have made outstanding contributions in local economic development.

This was the second time that the province has given awards to scientific personnel.

Qinghai Secretary Views Economic Development

OW0903044194 Beijing XINHUA Domestic Service in Chinese 1316 GMT 20 Feb 94

[Report on an interview with Qinghai provincial party committee secretary Yin Kesheng by XINHUA reporters Jin Jiasheng (6855 0857 5116) and Sun Ninghai (1327 1337 3189): "Take Advantage of Resource Superiority To Develop Qinghai's Economy"]

[Text] Beijing, 20 Feb (XINHUA)—Qinghai is a big province with abundant resources but a weak economic base. The establishment of a socialist market economic structure will inevitably create more historic opportunities for Qinghai's development. Only by seizing the opportunity and taking advantage of the resource superiority can the people of all nationalities in Qinghai rapidly develop Qinghai's economy. Yin Kesheng, secretary of the Qinghai provincial CPC committee, explained the fundamental way to develop Qinghai's economy during an interview with reporters soon after the Chinese New Year.

"Qinghai, with a vast area indeed, has attractive natural resources for people to exploit." On Qinghai's resources, Yin Kesheng, who did petroleum prospecting work in the Qaidam desert for a long time, showed a great deal of emotion. He said: Qinghai has such resources as lake salt, hydroelectric power, petroleum, natural gas, non-ferrous metals and asbestos, and the confirmed deposits of them have a potential value of 8 trillion yuan. More than 10 of its mineral deposits, such as sodium, potassium, lithium, iodine, bromine, boron and asbestos rank first in quantity among all provinces in China. The upper reaches of the Huanghe in Qinghai are rich in hydroelectric power resources which are scarce in other parts of China. Qinghai's petroleum gas, non-ferrous metal, and gold resources are also abundant. The confirmed natural gas deposit is now 50 billion cubic meters, while it was less than 10 billion cubic meters in the late 1970's.

Since the start of reform and opening up, Qinghai has made great efforts to exploit its resources and achieve prosperity, and it has found the road to success. Now, potash fertilizer in Chaerhan, the lead and zinc mine at Xitieshan, and asbestos at Mangya have become large state construction projects. In recent years, state-run enterprises, collectives, and individuals in various localities in the province were busily engaged in exploitation of resources. Baima County in Golog Zang Autonomous Prefecture used to be a "national-class" poor county. In recent years, the county has discovered gold deposits and greatly improved its financial situation. Qilian County in Haibei Zang Autonomous Prefecture has rapidly achieved financial self-sufficiency by relying on mining asbestos, coal, lead and zinc, copper and gold. Many counties, towns, and salt enterprises in Qaidam Basin have developed themselves by exploitation of natural resources. Now, there are some 100 state-run mining enterprises and nearly 300 collectively-run and private mining enterprises in the province, and the output value

of the mining industry accounts for one-sixth of the province's total industrial output value.

On future tasks, Yin Kesheng said: The progress of the nation's modernization and the gradual widening of the gap between eastern and western regions have further enhanced the sense of urgency and crisis among the cadres and people in Qinghai. At the same time, the daily increasing demand of coastal and interior regions for energy and raw and processed materials has provided a huge market for Qinghai's large-scale exploitation of resources. In order to achieve a rapid economic development, Qinghai must continue to exploit its natural resources. He expressed the following views: First, we should further emancipate our mind and have new ideas. In order to open the door of the province, we must first open the door of our mind and must not fear that others might come to take advantage of our resources. Second, we should have confidence and fear no hardship. Third, we should boldly use technology, capital, and specialized personnel from the outside world and other parts of our country. Fourth, we should make scientific exploitation of resources and avoid working blindly and recklessly. Repeated feasibility appraisal should be done to planned projects. In economic development, we should consider economic benefit, social benefit, environmental protection, and resource preservation simultaneously. Fifth, we should pay attention to the timely solution of problems and difficulties during the exploitation of resources.

Qinghai is a province where ethnic minority people live in compact communities. The people of Tibetan, Hui, Tu, Salar, Mongol and other minority nationalities account for 42 percent of the total population, and most natural resources are located in regions of ethnic minority people. Yin Kesheng said: During the course of natural resource exploitation, we must fully consider the interests of local ethnic minority people. All resource exploitation projects of the state, the province, autonomous prefectures, prefectures, and counties should help the development of local economy of minority nationalities and play a promoting and radiating role. We should take the road of common prosperity for all nationalities. Of course, the ethnic minority regions should also contribute to the overall interest of the state. Yin Kesheng firmly believes that Qinghai will certainly take a greater step in resource exploitation, and its development will be full of promise if the people of all nationalities are united, continue to display the hard-working plateau spirit, and work under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics.

Largest Electronics Group Formed in Beijing

OW0803102694 Beijing XINHUA in English 0850 GMT 8 Mar 94

[Text] Beijing, March 8 (XINHUA)—The China Electronics Corporation (CEC), the largest company group in the country's electronic industry, was set up here today.

The group, with a capital of 7.8 billion yuan, has 59 companies, including 28 domestic subsidiaries, 23 overseas-funded joint ventures and eight overseas set-ups in Hong Kong, the U.S.A. and Japan.

CEC has introduced into production technologies of integrated circuit, software and color TV tubes from a number of foreign companies, such as Toshiba, Siemens, Hitachi, Conner and Intel.

Yu Zhongyu, president of CEC, said that the company's revenue for this year is expected to surpass five billion yuan.

He said by the year 2000, sales of the company's major products are expected to hold a considerable part of the domestic market. Sales of integrated circuits will occupy 45 percent of the country's total, while electronics switching system 15 percent, cellular telephone 10 percent, and video tape recorder 30 percent.

As Yu put it, the CEC will shoulder the construction of ten national major projects, such as the super-scale integrated circuits projects and mobile communication projects.

Joint Venture To Help Upgrade Telecommunications

OW1003062394 Beijing XINHUA in English 0614 GMT 10 Mar 94

[Text] Beijing, March 10 (XINHUA)—A joint venture for affordable, high-quality telecommunications equipment has been launched with the aim of helping upgrade China's telecommunications industry.

The joint venture, AT and T Consumer Telecommunications Equipment Beijing, Ltd, was formed by AT and T China Inc., S. Megga Telecommunications Ltd and the Central Technology Center of the China National Posts and Telecommunications Industry Corporation (PTIC).

A contract signing ceremony was held here Wednesday.

The joint venture will develop, produce and deliver telecommunications products meeting China's standards.

Its main products will include videophones, cordless telephones, digital telephone answering machines and facsimile machines.

The Chinese side takes a 30 percent interest, and AT and T and S. Megga take 53 percent and 17 percent interests, respectively, in the joint-venture, which has a registered capital of four million U.S. dollars.

The business volume of the corporation in the first four years is expected to reach 150 million dollars.

Sources said that there exist ample and excellent opportunities in China's telecommunications market.

The joint venture will use advanced technologies from AT and T and the experience of S. Megga in telecommunications equipment production as well as the sales and service networks of PTIC to promote China's telecommunications industry.

Another 31 Counties Open Up to Foreigners

OW0903074194 Beijing XINHUA Domestic Service in Chinese 0727 GMT 28 Feb 94

[Text] Beijing, 28 Feb (XINHUA)—With the State Council's approval, another 31 counties (cities) have been listed as areas open to foreigners, making the total number of counties (cities) open to foreigners 1,100.

The 31 counties (cities) are:

Sichuan Province's Dianjiang County, Nanchuan County, Wulong County, Qianjiang Tujia and Miao Autonomous County, Pengshui Miao and Tujia Autonomous County, Gaoxian County, Junlian County, Pingshan County, Wusheng County, Dazhu County, Bazhong City, Tongjiang County, Tianquan County, Lushan County, Baoxing County, Xiaojin County, Zoige County, Hongyuan County, Kangding County, Luding County, Huili County, Wanyuan City, Quxian County, Pingchang County, Nanjiang County, Ningnan County, Puge County, and Butuo County.

Hebei Province's Shenxian County as well as the cities of Bazhou and Renqiu.

Beijing To Lower Import Duties on Three More Products

OW0903131294 Beijing XINHUA in English 1251 GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—China will reduce the import duties on three more products in a bid to further ease the tax burdens of enterprises and promote production, according to the State Council Tax Rules Committee.

The three products are compressors for air conditioners, photocopying machine parts, and internal threaded copper pipes for air conditioner condensers.

The range of import duty reduction is between 10 percent and 33 percent.

The new interim tariff rates will be implemented soon by China's customs.

Beijing To Collect Fee on Mineral Mining

OW0803142694 Beijing XINHUA in English 1239 GMT 8 Mar 94

[Text] Beijing, March 8 (XINHUA)—Starting next month, the Chinese Government will collect a fee on the mining of China's mineral resources from all mining enterprises, including those involving foreign investment.

Implementation of the "Regulations on the Collection of Mineral Resources Compensation Fee" begins April 1, in accordance with an order issued by Premier Li Peng on February 27.

The regulations were approved by the State Council on June 29, 1993, said Song Ruixiang, executive vice-minister of the Ministry of Geology and Mineral Resources, at a news briefing today.

The fee will be calculated on the basis of the value of the minerals mined, but for the next year or two will be fixed at 1.18 percent "in consideration of the financial difficulties of some mining enterprises."

The rate will be raised to 5-7 percent between 1996 and 2000, and then to about ten percent. "Ten percent is what it should be," the official said.

The "eventual rate" resulted from calculations on the value of 21 mineral ores including gold, manganese and phosphorus. "Even ten percent is lower than such rates in foreign countries," the official said.

At the rate of 1.18 percent, the government expects to collect an annual average of one billion yuan and use it on geological prospecting, "especially prospecting involving risks and involving resources for China's strategic reserves," he said.

Even more important, however, is that collection of the fee is meant to uphold state ownership of mineral resources in accordance with the constitution and the "mineral resources law" and make such ownership real by an economic method, Song said.

"Unpaid-for mining means free transfer of state property rights to a mining enterprise, and this does not conform to law and causes loss of state-owned assets," Song said.

"All countries collect mineral resources compensation fees in one or another form," he noted. "Moreover, the market economy necessitates compensation for the consumption of mineral resources."

In their overseas operations, Chinese mining companies duly pay mineral resources compensation fees in observation of laws of their host countries, Song noted.

"Foreign companies seeking investment opportunities in China's mining sector agree to pay such a fee, which demands that there be legislation on its collection," the official said.

The latest State Council regulations cover "mineral resources of all types throughout China, on China's land territory and within the maritime territory under China's jurisdiction."

All mining enterprises have to pay the fee, whether they are owned by the state, or collectively or individually owned and whether they involve foreign investment.

In line with government decrees previously published, foreign companies engaging in oil and natural gas operations in China, onshore or offshore, will continue to turn over to China a prescribed percentage of the products as fees on the use of the operation areas.

XINHUA 'Mailbox' Explains Bond Trading Market

OW0903112494 Beijing XINHUA Domestic Service in Chinese 0301 GMT 20 Feb 94

["XINHUA Mailbox: 'What Is a Bond Market?'"—XINHUA headline]

[Text] Beijing, 20 Feb (XINHUA)—A bond market is a market for trading bonds. Based on its functions, there are two different kinds of bond markets: Bond issue markets (primary markets) and bond transfer markets (trading markets).

Issuing bonds is the traditional method for raising medium and long-term capital in various countries. Floaters consist mainly of enterprises established by governments, institutions, and stock companies; public utilities such as railways, telegrams, and telephones; and banking institutions and international financial organizations. Through bond markets, a large sum of capital can be raised within a short period. Vouchers for bond markets are mainly government bonds, company bonds, and security vouchers. Like company bonds, government bonds are vouchers which repay capital with interest on terms; however, because government bonds are guaranteed by government creditability, they are fairly safe and entail only a small risk. There are various kinds of company bonds, including a small number of unsecured bonds from credit companies; however, the majority are secured company bonds. Security vouchers are a kind of contract certificate which enables debtors to use certain property as a guaranty to raise long-term capital. In the past, property used as guaranty was mostly real estate; however, negotiable securities have recently become the most common form of guaranty.

Bonds can be transferred or traded through two different forms: commission and off-board transactions. The former, also called on-board trading, refers to the selling and buying which investors commission stock companies to engage in at stock exchanges. As all bonds entering transaction at stock exchanges are registered and come in great varieties, investors have the option of investing in bonds with small risks, big profitability, and strong liquidity. Off-board trading refers to bond transactions between banks or enterprises and stock companies. Presently bond transactions are concentrated mainly on off-board trading. Payments for service charges differ according to the forms of trading. Applicants for on-board trading at stock exchanges are required to pay a commission service charge. However, off-board trading does not have to pay the service charge; the differential between the buying and selling price of bonds is the service charge paid to stock companies.

Presently bonds are generally transferred through four different methods in China's secondary stock markets: 1) Direct buying and selling by a company: based on listed prices, companies buy discount bonds and transfer them to new buyers, with the buying and selling price of bonds based on bank discount rates, and with the prices fluctuating along with market changes; 2) commission trading: bond holders and buyers commission companies to sell or buy on their behalf, with prices decided by the buyers and sellers, and with companies collecting a fixed service charge; 3) mortgage: a bond holder who urgently needs cash but cannot sell bonds through the aforesaid two methods can mortgage bonds for capital and redeem them within a time limit; otherwise the mortgage company has the right to transfer the bonds; 4) appraisal and certification: after transactions are completed, and in order to protect the rights and interests of the buyers and sellers, companies are responsible for appraising the authenticity of bonds and collecting a certain percentage of their face value as appraisal and certification fees.

Article Views Debate on Securities Act

HK0803032294 Hong Kong ZHONGGUO TONGXUN
 SHE in Chinese 1130 GMT 21 Feb 94

["Special article" by reporter Shao Ling (6730 7227)]

[Text] Hong Kong, 21 Feb (ZHONGGUO TONGXUN SHE)—Mainland China's first Securities Act will be published in April this year. This is the first economic law which has not been drafted by the executive branch but by experts organized by the National People's Congress. It will replace the Provisional Regulations Governing the Issue and Trading of Securities previously promulgated by the State Council and local regulations on securities trading promulgated by Shenzhen and Shanghai, thus erecting a national legal framework in securities.

The introduction of the Securities Act is naturally related to the mainland's fast developing and booming securities markets. By the end of 1993, there were already 122 listed, joint-stock companies on the mainland, six major companies listed outside China, and 51 securities companies across the nation, and the number of shareholders reached some 25 million. Moreover, over 13,000 enterprises across the country already utilize the shareholding system, with the total amount of shares amounting to 208.6 billion yuan, and many of these companies are hoping to be listed or are pooling funds to expand production. It is known that mainland enterprises are also planning to issue 5.5 billion yuan of stocks this year.

In the meantime, the number of negotiable securities of all types keeps increasing. According to statistics, between 1981 and 1993, negotiable securities issued on mainland China totalled 432.3 billion yuan, of which 138.9 billion yuan were short-term state treasury bonds; 39.7 billion long-term state treasury bonds; 20 billion yuan special government bonds and indexed bonds; 40.7

billion yuan state investment bonds (including state construction bonds, state major construction bonds, and capital construction bonds); 96 billion yuan in corporate securities, 61 billion yuan of financial bonds; and 36 billion yuan in enterprise shares.

On the other hand, owing to the unsound system, some unpleasant things have occurred in the securities investment market; for example, one shareholder committed suicide following great losses due to his failure in securities speculation after obtaining an overdraft from a local securities company. His wife then brought a suit against the securities company, demanding reasonable compensation. Therefore, the question of whether or not shareholders should be allowed to speculate in future by taking out overdrafts has arisen, and this needs to be standardized by the Securities Act.

A bigger issue is the fact that state-owned enterprises are gradually changing to the shareholding system and are listing one after another. Given the fact that "state-owned shares" are tokens of public ownership, should we legislate to protect them to prevent the state from losing controlling power over those enterprises? In the process of drafting the Securities Act, people have argued greatly about it all along. Professor Li Yining, who was head of the drafting committee and who is the deputy director of the Law Committee of the NPC Standing Committee, disclosed not long ago that the question of whether or not state shares should be protected should ultimately be decided in keeping with the laws of the market economy; that in stressing competition, we should not determine power by the main body of shares; and that all investors should be on an equal footing. Therefore, the Securities Act provides that state shares, corporate shares, and personal shares should be treated equally without discrimination. Another question over which there has been a comparatively big difference of opinion is whether or not the trading of securities should be allowed outside the floor [of the exchange]. It was finally decided that there was a need to set up roadside exchanges [chang wai jiao yi suo 1034 1120 0074 2496 2076] outside the major exchanges but that these sites must first be approved. If roadside exchanges are banned, this will surely hinder the development of the shareholding system and will aid the growth of underground securities trading, and will thus produce many loopholes. In addition, there is also the question of whether or not civil servants should be allowed to buy and sell shares. It was finally decided that it was inappropriate to lay down in the Securities Act any clauses preventing any person from buying and selling stocks. As for whether or not civil servants can buy and sell stocks, provisions should be made in other laws, regulations, and policies.

According to Ji Xiangyu of the Exchange Department of the China Securities Supervision and Administration Committee, the forthcoming Securities Act includes a national central clearing system. The variety of the central clearing system should include listed A shares, futures, bonds, and debentures in the initial stage. At a later stage, it should also include B shares, corporate

shares, funds, foreign shares traded in China, and other financial varieties to be expanded in China in the future. As for the shareholders of the national central clearing company, he said that membership for foreign banks could be considered, but holding rights must absolutely be held by the Chinese side.

We can see, therefore, that the formulation and introduction of the Securities Act really has great significance.

Rapid Growth of Private Sector Outlined

HK0703125194 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0935 GMT 22 Feb 94

["Special feature" by reporter Si Liang (1835 5328):
"New Changes in Mainland Private Economic Sector"]

[Text] Hong Kong, 22 Feb (ZHONGGUO TONGXUN SHE)—Through expansion over a dozen years, the private economic sector on the mainland has grown into an important economic force and has broken the state enterprises' monopoly of the economy. The private sector has played a positive role in developing the social productive forces and in improving the people's living standards.

According to statistics compiled by the State Administration for Industry and Commerce, by late September last year, individual industrial and commercial operators had increased to 16 million, hiring 26 million people, up 11.7 and 14 percent respectively over the same period the previous year. Private enterprises had increased to 210,000, employing 3.31 million people, up 72.6 and 62.4 percent respectively over the same period the previous year. The taxes paid to the state annually by individual operators and private enterprises averaged 20 billion yuan, accounting for 7.8 percent of the state's total industrial and commercial tax revenues. The private sector took on about 1 million redundant laborers, making up 10 percent of workers employed by all businesses throughout the country.

In Guangdong and Fujian, which carried out reform and opened to the outside world earlier than other areas, individual operators and private enterprises have grown faster. In Guangdong, there are 1.3 million self-employed operators, and private enterprises with registered capital exceeding 1 million yuan number 1,000. In Fujian there are 540,000 self-employed operators and private enterprises, with their total registered capital hitting 7 billion yuan. In Henan, an inland province, there are now 900,000 self-employed operators and private enterprises, the best record for the last 43 years.

At present, individual industrial and commercial businesses and private enterprises are allowed to operate in bonded areas, development areas, and experimental areas. In addition, development areas for the private economy have been set up in Shanghai, Shenyang, and Dalian, and investment areas for private enterprises have been set up in Hubei, Sichuan, Shaanxi, Anhui,

Zhejiang, and Jiangsu. All this is the first major change in the private sector on the mainland.

The second change is that the private enterprises have expanded unprecedentedly in terms of their trades and scope, with operations having extended to all trades allowed by the government. There is every indication that they now are beginning to penetrate such important industries as aviation, chemicals, electronics, building materials, grain and edible oils, and even into the cultural, educational, and public health fields. For instance, private schools and hospitals have been established in various places.

Private enterprises are allowed to establish horizontal trans-sectoral and transregional economic ties, and to take stock in, run by lease, contract to run, purchase, and annex collectively owned and state enterprises. A total of 46 state and collectively owned enterprises were purchased and annexed by individual operators and private enterprises in Zhejiang alone last year. This is the third change in the private sector.

The fourth change is that more and more private enterprises are moving toward the international market by setting up joint ventures with foreign businessmen. According to incomplete statistics provided by 12 coastal provinces and cities, Sino-foreign joint-venture enterprises set up by private enterprises and foreign businessmen have topped 400. Private enterprise groups also have grown in number and scope with each passing day. Some private enterprise groups have hired more than 1,000 employees and their annual output value has reached 10 million or even 100 million yuan. About 5,000 to 6,000 private enterprises have earned foreign exchange by exporting products and have carried on border trade. A number of self-employed operators and private enterprises have done business, set up factories, opened companies, and engaged in property development in foreign countries.

The fifth change is that a number of college graduates, experts, professors, public figures, and retired cadres have joined private enterprises over the last few years with the result that the average age of employees of private enterprises has dropped and that their cultural level, professional level, social status, and reputation have been raised greatly.

The private sector on the mainland has risen from oblivion and is playing a greater and greater role in the national economy. With the increase in the number of foreign-funded enterprises and with more and more state enterprises being taken over by private enterprises, the gap between different economic sectors gradually will narrow and they will compete on an equal footing. As private enterprises operate flexibly and adapt themselves quickly to market needs, they will grow at a greater pace.

XINHUA Highlights Record Salary for Entrepreneur*OW0803085594 Beijing XINHUA in English 0724
GMT 8 Mar 94*

["China Encourages Higher Pay for Top Entrepreneurs"—XINHUA headline]

[Text] Nanjing, March 8 (XINHUA)—Some Chinese entrepreneurs can now command much higher salaries—and they may well be worth these sums because of their greater responsibilities and the grave risks in the country's shift to a market economy.

An advertisement seeking a general manager for a commercial center was published in January in Nanjing, capital of east China's Jiangsu Province—offering a record annual salary of 150,000 yuan (about 17,240 U.S. dollars).

This medium-sized business had suffered losses for 14 consecutive years of its 15-year life, with 13 managers coming and going.

The position finally went to Zhuang Zongping, former deputy manager of the city's Gulou Department Store, after an open selection contest held by relevant authorities.

Experts described the move as a great change from the usual practice of officials being appointed by higher authorities.

Bai Meilin, director of the city's Commission for Restructuring the Economy, said that a new leadership system is important for a smooth shift to the modern enterprise system.

Jiang Yu, a general manager of the Xinjiekou Department Store, said that advertising for talent with high pay is an effective way to get qualified persons for posts which they want.

At his inauguration ceremony, Zhuang handed in a risk pledge of 16,000 yuan to the parent company, which won't be refunded if the center fails to produce an annual profit of 1.6 million yuan under his administration.

According to the contract, he has decision-making power in areas such as employment, direction-setting, personnel assignment and resources distribution.

Zhuang, aged 43, was considered daring in the city's business circles, as he had made the sales volume of the Gulou Department store jump from 30 million yuan to 250 million yuan within three years.

This time, with his good business sense and his practical and bold plan, he defeated six rivals, who were selected from quite a few officials, private bosses and agents for foreign companies.

His measures to invigorate the center include improving the shopping environment, restructuring commodities,

distinguishing its promotions from neighboring stores and strengthening its internal management.

Qian Hao, general manager of the Gulou Department Store, said the store will not be affected by Zhuang's leaving, because it has a group of experienced personnel and a healthy management system.

Relevant leading officials pledged that Zhuang will be given full power to enforce his program on his new post.

Now Zhuang is setting about renovating the center, which will reopen on April 8.

Circular Issued on Peasant Trade Associations*OW1003111594 Beijing XINHUA Domestic Service in
Chinese 1139 GMT 23 Feb 94*

[Text] Beijing, 23 Feb (XINHUA)—Recently, the Ministry of Agriculture and the China Association for Science and Technology jointly issued a "Circular on Providing Better Guidance and Support for Peasant Specialized Trade Associations," calling on all areas to fully understand the role played by peasant specialized trade associations in developing a market economy in rural areas, to provide better guidance and support for them, and to further promote their healthy development.

The "Circular" noted: As rural reform deepened and as a market economy enjoyed development, a number of peasant specialized trade associations, including specialized technical associations and research societies, emerged as the times required. As of the end of 1992, there were over 1.4 million various peasant specialized trade associations spread over all fields of endeavor in the rural economy. Peasant specialized trade associations are privately run organizations for technical and economic cooperation initiated by peasants on a voluntary basis. They were established for the purpose of increasing members' income. Based on management by peasant households, they encouraged members to assist and cooperate with each other in respect of funds, technology, production, and supply and marketing. Practices have proved that the development of peasant specialized trade associations is conducive to increasing peasants' income more quickly, and gives tremendous impetus to peasant households' economic development and to the governments' market cultivation.

The "Circular" stressed: All areas must correctly guide peasant specialized trade associations to develop steadily in line with the objective needs of establishing a socialist market economy. They must pay attention to grasping the following points when actually carrying out work: 1) The principle—"run and managed by the private sectors who will benefit from their management"—must be adhered to. The will of peasants must be respected when establishing and developing peasant specialized trade associations. They may join the associations of their own free will and quit as they wish. An internal management system must be gradually established and improved. All

areas must persist in the orientation of serving agricultural production, rural areas, and peasants; they must conscientiously focus efforts on offering good services to members.

2) Adhering to the principle of establishing and developing various forms of specialized peasant associations. As far as cooperation is concerned, technical-exchange associations, associations providing services for production and management, and associations in the form of technological and economic entities may be established in line with local conditions. With regard to initiation of such associations, both individuals as well as scientific and technical personnel may take the lead in initiating the establishment of such associations. With regard to their scope of activities, such associations may carry out activities within a community; they may also carry out inter-community activities. In line with practical needs, various types of specialized peasant associations may carry out various forms of cooperative activities. 3) It is necessary to respect the rights of specialized peasant associations to make independent decisions, and the relationship between them and other organizations should be handled properly. Being a part of the social service system in rural areas, state economic, scientific, and technological departments; township and village collective economic organizations; and specialized peasant associations should pay attention to exploiting their respective advantages, share work in a cooperative manner, and strive to provide service to peasant households to help them develop production. No unit or individual is allowed to transfer the property of specialized peasant associations and their members. 4) In establishing such associations, the authorities in various localities must take into account the practical needs of peasants and offer specific guidance in light of local

conditions; under no circumstances should they insist on uniformity, still less should they rush headlong into mass action. 5) Higher and lower levels should coordinate with each other, and all sectors should cooperate in creating a good external environment for the development of such associations.

The circular urged all localities to further create favorable conditions for the vigorous development of specialized peasant associations, adding that at present all localities should focus on carrying out the following tasks: First, they should conduct investigations and studies to get a good picture of the main types of specialized peasant associations, their number, and their organization in their respective areas, and should study new situations and new problems. Second, they should sum up experiences, and guide and help the steady development of various types of specialized peasant associations through experimentation and example. Third, they should organize various forms of training classes to gradually improve the skills of the managerial personnel of such associations. Fourth, all localities should assist specialized peasant associations in establishing sound regulations and rules in order to strengthen internal management. At the same time, it is necessary to provide specialized peasant associations with markets, scientific and technological information, and other services in order to help them grow.

Major Export Commodities Jan-Dec 1993

HK2202124594 Beijing CEI Database in English 16-22 Feb 94

[Text] Beijing (CEIS)—Following is a list showing the volume and value of China's major export commodities in January- December 1993, released by the General Administration of Customs:

Item	Unit	Quantity	Value (10,000 USD)
Pig	10,000 head	272	27,148
Poultry	10,000 birds	5,127	9,034
Frozen beef	10,000 tons	2	2,785
Frozen pork	10,000 tons	6	6,267
Frozen chicken	ton	94,454	16,624
Rabbit meat	ton	23,051	3,369
Aquatics	10,000 tons	46	125,148
Live fish	ton	56,195	11,521
Frozen fish	ton	103,200	20,540
Prawn	ton	19,849	13,302
Shrimp meat	ton	41,561	22,268
Fresh eggs	million	425	1,543
Cereals	10,000 tons	1,327	151,530
Rice	10,000 tons	143	25,276
Maize	10,000 tons	1,110	225,399
Vegetables	10,000 tons	140	95,069

Item	Unit	Quantity	Value (10,000 USD)
Dry soybean	10,000 tons	80	26,124
Dry cassava	10,000 tons	23	2,428
Dry sweet potato	10,000 tons	40	4,296
Fruits	10,000 tons	42	33,156
Orange	ton	81,047	3,785
Apple	ton	119,419	4,796
Walnut kernel	ton	17,384	4,157
Chestnut	ton	38,399	7,845
Ginkgo	ton	4,468	1,516
Pine nut kernel ton	5,204	2,226	
Oil seeds, Of which:	10,000 tons	100	40,735
Soybean	10,000 tons	37	10,195
Peanut	10,000 tons	32	19,618
Edible oil	ton	136,095	8,993
Baked peanut	ton	49,958	5,071
Sugar	ton	1,853,257	59,622
Natural honey	ton	96,538	7,020
Tea	ton	201,435	35,568
Dry hot pepper	ton	40,389	3,303
Canned pork	ton	71,511	11,322
Canned mushroom	ton	127,866	13,620
Beer	10,000 litre	8,421	4,164
Leftovers of pressed plant	10,000 tons	258	31,115
Bristle	ton	8,915	2,507
Casing	ton	37,300	17,104
Goose/duck feather	ton	18,722	10,605
Medicinal materials	ton	121,674	24,246
Tobacco	ton	58,676	10,315
Cigarets	10,000 cartons	21,079	48,480
Goatskin	10,000 pieces	1	5
Rough fur	10,000 pieces	215	1,061
Mink	10,000 pieces	128	621
Raw silk	ton	8,664	18,842
Cashmere	ton	4,237	19,360
Rabbit hair	ton	5,733	6,697
Raw cotton	ton	149,953	19,007
Ramie	ton	8,835	1,885
Natural graphite	ton	145,426	3,508
Fluorspar	10,000 tons	138	8,020
Barytes	10,000 tons	84	2,484
Natural magnesite and magnesia	10,000 tons	216	15,395
Talc	10,000 tons	106	5,249
Aluminum ore	10,000 tons	53	2,299
Aluminum oxide	10,000 tons	7	383

Item	Unit	Quantity	Value (10,000 USD)
Tungsten ore	ton	699	189
Coal	10,000 tons	1,981	70,224
Coke/semicoke	10,000 tons	261	17,154
Crude benzene	10,000	tons	5,855
Crude oil	10,000 tons	1,943	240,880
Oil products	10,000 tons	372	62,901
Paraffin	10,000 tons	26	10,450
Ammonium paratungstate	ton	9,226	3,244
Zinc oxide	ton	32,160	2,365
Radioactive elements/isotope and compounds	kg	1,588,346	10,450
Furfural	ton	22,679	1,579
Synthetic organic dyestuffs	ton	58,906	21,431
Lithopone	ton	73,775	1,889
Medicines		-	90,459
Antibiotics	ton	12,809	22,459
Chinese patent medicine		-	12,090
Medical dressings		-	14,251
Perfume	ton	561	78
Cosmetics	ton	5,345	4,367
Oral cleanser	ton	12,799	2,218
Washing powder	ton	35,176	1,801
Firecrackers	ton	88,309	12,507
Rosin/resin acid ton	226,944	11,432	
Primary polyethylene chloride	ton	32,754	2,065
Tyre	10,000	2,539	17,718
Woodworks		-	25,714
Paper/paperboard	10,000 tons	17	11,667
Textile yarn/fabrics		-	870,425
Including:			
Cotton yarn	ton	198,714	41,627
Linen/ramie yarn	ton	58,716	14,205
Yarn with synthetic short fibre above 85 percent	ton	33,388	8,159
Synthetic short fiber/cotton blended yarn	ton	21,636	4,275
Yarn with artificial short fiber above 85 percent	ton	21,186	4,473
Silk	10,000m	15,885	41,197
Machine woolen fabrics	10,000 m	2,149	11,000
Machine cotton fabrics	10,000 m	378,611	233,041
Machine linen/ramie fabrics	10,000 m	20,691	19,762
Synthetic/cotton blended machine fabrics	10,000 m	116,969	53,685
Artificial short fiber machine fabrics	10,000 m	83,622	38,386
Carpets	10,000 sq m	1,824	51,985

Item	Unit	Quantity	Value (10,000 USD)
Blankets	10,000 pcs	36	1,020
Cotton tower	10,000 pcs	18,439	18,005
Table cloth	10,000 pcs	8,528	7,771
Gunny sacks	10,000 pcs	6,147	2,158
Plastic bags	10,000 pcs	70,259	9,445
Cement	10,000 tons	245	9,360
Plate glass	10,000 sq m	2,536	5,819
Glass products		-	12,649
Household ceramics		-	30,614
Decorative ceramics		-	25,667
Pearl/gem	kg	732,960	14,239
Pig iron	10,000 tons	34	5,175
Silicon iron	10,000 tons	34	15,660
Steel billets	10,000 tons	11	2,453
Rolled steel	10,000 tons	112	53,007
Rod	10,000 tons	22	6,894
Anglers/forged steel	10,000 tons	12	3,524
Plate/sheet	10,000 tons	31	11,670
Wire	10,000 tons	15	8,969
Pipe fitting	10,000 tons	18	14,094
Copper	ton	49,739	14,076
Unforged copper/Copper alloys	ton	6,443	1,355
Copper products	ton	43,296	12,721
Aluminum	ton	98,066	12,813
Unforged aluminum/Aluminum alloys	ton	67,784	7,585
Aluminum products	ton	30,281	5,228
Unforged zinc/zinc alloys	ton	205,565	16,812
Unforged tin/tin alloys	ton	40,703	18,313
Unforged stibium	ton	12,997	1,832
Unforged magnesium	ton	31,113	3,562
Steel/copper fasteners	10,000 tons	16	16,451
Enamel ware	ton	39,364	5,530
Tools		-	49,542
Locks	10,000 pcs	85,030	27,128
Electric fans	10,000 sets	4,424	50,442
Textile machinery		-	14,898
Common sewing machine	10,000 sets	255	6,625
Industrial sewing machine	10,000 sets	55	5,271
Metal processing machine tool	10,000 sets	178	21,658
Including:			
Lathe	sets	24,606	6,151
Miller	sets	5,117	2,148
Electronic calculator	10,000 sets	15,324	19,328
Bearing	10,000 sets	17,262	13,496

Item	Unit	Quantity	Value (10,000 USD)
Electric motor/generator	10,000 sets	88,529	46,422
Static inverter	10,000 sets	8,618	22,697
Galvanic cell	10,000 sets	523,950	18,964
Accumulator	10,000 sets	11,066	10,201
Flashlight	10,000 sets	21,505	6,024
Telephone	10,000 sets	5,076	39,580
Loudspeaker	10,000 sets	49,169	13,160
Recorder, radio cassette/ hi-fi	10,000 sets	11,265	149,395
radio	10,000 sets	10,125	28,013
tv set	10,000 sets	1,131	76,135
including:			
color	10,000 sets	435	53,581
black/white	10,000 sets	696	22,554
wireless telecom accessories		-	50,543
Capacitor	10,000 sets	2,127,080	14,026
On-off/protection circuit installa- tion		-	42,968
Diode, transistor/radio parts	10,000 sets	902,801	11,929
Wire/cable	ton	122,592	25,908
Container		88,707	26,670
Auto/chassis	set	11,115	14,794
Auto parts		-	17,157
Bicycle	10,000 sets	1,033	42,065
Motorcycle/bicycle parts		-	14,794
Ship		58,874	23,578
Camera	10,000 sets	3,882	34,323
Medical apparatus		-	10,111
Watch	10,000 pcs	58,119	77,773
Mechanical	10,000 pcs	4,601	10,874
Electronic	10,000 pcs	53,517	66,899
Watch movement	10,000 pcs	36,286	21,648
Clock	10,000 pcs	11,577	16,455
Furniture		-	60,308
Bed ware	10,000 pcf	5,577	47,674
Lamp/similar products		-	68,371
Travel goods/bags		-	171,763
Garment/accessories		-	1,842,758
Footwear		-	528,057
shoes	10,000 pairs	206,157	505,457
footwear accessories	ton	37,099	22,600
Plastics	ton	987,724	138,131
Toy		-	262,906
Football/basketball/volley ball	10,000 balls	3,050	6,342
Pencil	10,000 pcs	358,549	5,011

Item	Unit	Quantity	Value (10,000 USD)
Crafts/antiques		-	4,287
Precious metals		-	54,856
Umbrella	10,000 pcs	32,977	32,216
Bamboo woven goods	ton	61,793	11,628
Cane woven goods	ton	17,608	3,832
Straw woven goods	ton	30,467	4,772
Willow woven goods	ton	43,843	7,452
Bristle brush	10,000 pcs	21,589	2,744
Man-made flower	ton	107,349	34,187
Thermos	10,000 pcs	4,281	7,305

Jan-Dec Export Figures To African Countries

HK0802105394 Beijing CEI Database in English
8 Feb 94

[Text] Beijing (CEIS)—Following is a list showing the value of China's exports to African countries and regions in January-December 1993, released by the General Administration of Customs:

	1-12/1993	1-12/1992
		(Unit: 10,000 U.S. dollars)
Country and region	Export	Export
Africa	152,743	130,194
Algeria	3,355	2,734
Angola	1,121	847
Benin	5,362	2,219
Botswana	175	146
Burundi	371	360
Cameroon	642	960
Canary Islands	956	1,040
Cape Verde	76	16
Central Africa	322	16
Sebta (Ceuta)	294	645
Chad	19	63
Comoros	28	315
Congo	771	588
Djibouti	1,120	1,590
Egypt	19,960	17,456
Equatorial Guinea	64	18
Ethiopia	2,224	736
Gabon	190	153
Gambia	6,999	5,191
Ghana	3,858	2,398
Guinea	3,160	3,073
Guinea-Bissau	272	240
Cote D'Ivoire	5,219	2,805
Kenya	4,728	2,919

	1-12/1993	1-12/1992
Liberia	470	11,570
Libya	4,524	8,663
Madagascar	616	443
Malawi	190	32
Mali	1,154	543
Mauritania	475	1,170
Mauritius	2,597	2,345
Morocco	9,444	10,411
Mozambique	1,655	2,037
Namibia	69	11
Niger	1,492	275
Nigeria	12,076	9,100
Reunion	374	312
Rwanda	308	406
Sao Tome and Principe	38	3
Senegal	2,620	2,322
Seychelles	133	83
Sierra Leone	1,291	695
Somalia	67	524
South African	24,603	-
Western Sahara	39	6
Sudan	3,011	4,367
Tanzania	3,952	10,798
Togo	10,897	7,533
Tunisia	2,840	2,851
Uganda	624	710
Burkina Faso	939	250
Zaire	2,176	777
Zambia	721	537
Zimbabwe	875	2,743
Lesotho	151	545
Melilla	508	752
Swaziland	6	70
Other African countries and regions	-	150

East Region

Henan Governor Delivers Government Work Report

HK1003100494 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 28 Feb 94

[Excerpts] The Second Session of the Eighth Henan Provincial People's Congress opened solemnly this morning, and People's Hall was permeated with a warm and auspicious atmosphere. The rostrum was decorated with garlands and small green trees, and a dignified national emblem was hung in the middle of the rostrum, flanked by two brightly colored red flags. Those seated on the front row of the rostrum were the executive chairmen of the session and of the presidium, including Li Changchun, Ren Keli, Song Zhaosu, Zhang Zhigang, Liu Guangxiang, Fan Lian, Hu Tingji, Hou Zhiying, Qin Kecai, Zhong Lisheng, and Wang Hongfan.

The opening ceremony was presided over by Li Changchun. Those seated on the rostrum included provincial party, government, and military leaders Mao Zhongchen, Lin Yinghai, Wu Guangxian, Zhu Chao, Zhang Deguang, (Fan Xinchun), (Ma Jianzhang), Zhang Wenbin, Zhang Shiyong, Zhang Honghua, Yu Jiahua, Hu Tiyun, Liu Yujie, Zuo Mingsheng, (Hu Jiati), Hu Shujian, Yao Ruxue, Zhu Shuquan, Shao Lingfang, (Wang Miao), and members of the presidium of the session. Zheng Zengmao, president of the provincial higher people's court, and Li Xuebin also were seated on the rostrum.

At 0830, Li Changchun announced: The Second Session of the Eighth Henan Provincial People's Congress is now open. The PRC national anthem was played following his announcement. After that, Li Changchun invited Governor Ma Zhongchen to make his government work report.

[Begin Ma recording] Fellow deputies, on behalf of the Henan People's Government, I now make my provincial government work report to this session for examination and discussion by provincial people's deputies and non-voting delegates. [end recording]

Ma Zhongchen's report was divided into four parts: 1) 1993 was a year in which our province achieved marked results in reform, opening up, and modernizations; 2) We must take economic construction as a center in order to promote the rapid development of our national economy and social undertakings. 3) It is imperative to speed up the establishment of the socialist market economy system, and carry out well various reforms in key sectors; 4) It is necessary to strengthen the building of spiritual civilization, and to promote the development of democracy and the legal system so as to create a good environment for reform and opening up.

Mao Zhongchen said: In 1993, people throughout the province conscientiously implemented the spirit of the

14th CPC National Congress, and measures of the central authorities aimed at exercising macroscopic regulation and control. They seized the fine opportunity, deepened reform, expanded opening up, and promoted development. They made new achievements in various sectors. They continued to develop the favorable situation in our province. The year's tasks set by the first session of the eighth provincial people's congress were fulfilled, or even overfulfilled. This was manifested mainly in the following: We maintained a fairly high rate of increase of the national economy. We reaped a good agricultural harvest, and our rural economy developed in an all-round manner. Our industrial production grew rapidly, and better links between production and marketing were formed. We accelerated the pace of fixed-asset investment, and our key construction projects progressed smoothly. Our market was prosperous, and our commodities sold well. New progress was made in opening up to the outside world, and use of foreign capital was increased by a wide margin. Urban and rural residents continued to increase their incomes, and people's living standards were further enhanced. New progress was made in various reforms. The building of spiritual civilization was further strengthened, and various social undertakings developed vigorously. Finally, the anticorruption struggle was carried out in key areas in a directed and guardual way so as to further promote the work of establishing clean and honest administration. Ma Zhongchen continued:

[Begin Ma recording] This year is a crucial one for our province to fulfill the Eighth Five-Year Plan. The guiding thought for our government work is: Implementing in an all-round manner the spirit of the 14th CPC National Congress, the decision of the Third Plenary Session of the 14th CPC Central Committee, and the Eighth Session of the Fifth Henan CPC Committee; upholding the party's basic line, accelerating the pace in the establishment of a new socialist market economy system, seizing the favorable opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability [jian chi dang de ji ben lu xian, jia kuai jian she she hui zhu yi shi chang jing ji xin ti zhi, zhua zhu ji yu, shen hua gai ge, kuo da kai fang, cu jin fa zhan, bao chi wen ding]. [end recording] [passage omitted]

In conclusion, Ma Zhongchen stressed:

[Begin Ma recording] Fellow deputies, let us unite closely around the CPC Central Committee, with Comrade Jiang Zemin as the core. Under the staunch leadership of the provincial party committee, let us work together with people of the whole province, unite as one, be of one heart and one mind, arouse ourselves for vigorous efforts, explore the way forward, and struggle hard to fulfill various tasks for the year. [end recording]

Participants in the second session of the seventh provincial CPPCC, and responsible comrades of various departments, bureaus and commissions directly under our provincial authorities, as well as various democratic

parties, and people's organizations also were present at the session as nonvoting delegates.

NPC Appoints Jiangsu Chief Procurator

OW0903130794 Beijing XINHUA Domestic Service in Chinese 1040 GMT 5 Mar 94

[Text] Beijing, 5 Mar (XINHUA)—Namelist of Appointments Approved by the National People's Congress [NPC] Standing Committee

Adopted by the Sixth Meeting of the Eighth NPC Standing Committee on 5 March 1994

Zhang Pinhua [1728 0756 5478] is approved as the chief procurator of the Jiangsu Provincial Higher People's Procuratorate.

Zhejiang Nongovernment Hi-Tech Enterprises Prosper

OW1003073894 Beijing XINHUA in English 0702 GMT 10 Mar 94

[Text] Hangzhou, March 10 (XINHUA)—East China's Zhejiang Province is encouraging scientific workers to set up more nongovernmental hi-tech enterprises to boost the local high-tech industry.

According to the latest statistics, the province has about 4,000 such enterprises, employing 110,000 people.

These enterprises are involved in the fields of machinery and electronics, gauges and meters, bio-chemicals, genetic engineering, medicine and the combination of machinery and electrical appliances.

Many of them generate an annual output value of at least ten million yuan each a year.

Under the centrally planned economy, research institutions used to undertake projects assigned by the government, which allocated limited funds and took charge of the findings.

Such a system could hardly arouse the enthusiasm of scientific workers for research work, a provincial government official explained.

During the current reform of the management of science and technology, research institutions have more say in their work, and scientific workers are encouraged to set up independent hi-tech industrial enterprises at their own expense, at the same time assuming sole responsibility for their profits and losses. They are also encouraged to apply their research findings to production.

One example is the Hangzhou General Electrical Appliance Company, a nongovernmental enterprise specializing in telecommunications.

Founded in 1990 with self-raised funds of more than 100,000 yuan, the company generates an annual output value exceeding 100 million yuan and profits climbing to 10 million yuan a year.

The company has 140 employees, including 30 people with doctor's and master's degrees.

The company has developed a series of advanced program-controlled telephone exchanges to meet the needs of the market.

Another example is the Hangzhou Organic Silicon New Material Development and Application Company, a nongovernmental enterprise combining science and industry with trade.

Many of the products, including HS-900 seal mat coat material, SI building waterproofing agent and HS-T-3 silicon resin, developed by the company have filled the gaps in China's science and technology.

The company has just transferred 15 research findings to a Singapore company, and is using the money earned therefrom to build new workshops and other production facilities.

The Hangzhou Feishida Computer Technology Company has been paying close attention to employing scientists and technicians, and offering better working and living conditions for them ever since its founding five years ago.

With 20 research workers, the company has developed FGC color high-resolution video control boards and other computer software series.

After inspecting the company, Song Jian, minister in charge of the State Science and Technology Commission, highly praised it for making great contributions to the computer industry.

An official of the Zhejiang provincial society for nongovernmental industrialists specializing in science and technology said that the rise of nongovernmental enterprises in science has paved the way for transforming scientific findings to productivity, and enabled more and more people to see clearly the functions and value of scientists and technicians in the country's economic development.

Central-South Region

Guangdong CPPCC Views Agricultural Situation

HK0703122794 Hong Kong WEN WEN PO in Chinese 23 Feb 94 p A3

["Dispatch" by WEN WEI PO reporting team: "Farmlands and Output Have Reduced Over Consecutive Years; Guangdong's Agricultural Situation Is Still Grave"]

[Text] Guangzhou, 22 Feb—At the ongoing meeting of the Guangdong Committee of the Chinese People's

Political Consultative Conference [CPPCC], many CPPCC members called for paying serious attention to agricultural production. Liang Lifeng, on behalf of the Guangdong Committee of the China Democratic League, made a speech at the meeting pointing out that although Guangdong had made great achievements in agricultural reform, it had not fundamentally changed instability in agriculture's position, instability in agricultural production, and instability in the peasants' minds.

A sharp decrease in farmlands and a rapid increase in the population are Guangdong's important characteristics upon entering the 1990's. In 1992, the net decrease in the province's farmlands amounted to 1.1423 million mu, equivalent to the area of a medium-sized county; whereas in the first three years of the 1990's, the population increased by 1.6667 million annually, equivalent to the populations of two medium-sized counties. In 1992, the province's per capita possession of farmland was 0.56 mu, 74 percent of the amount in the previous 10 years. Facing this grim situation, a provincial meeting on protecting farmlands held at the end of last year clarified that farmland in the province should be increased instead of being reduced. On this point, Liang Lifeng suggested formulating a policy to actively support and encourage the work of restoring and expanding farmland, adding that certain percentages of the taxes and charges collected by land management departments from renting out and transferring farmland should be used for restoring and expanding farmland.

Last year's decrease in Guangdong's grain production was the third decrease, subsequent to 1991 and 1992. It was also the second major decrease since the founding of the PRC (the first happened in 1985). It is true that to a certain degree, natural disasters caused this major decrease, but a more important factor was the reduction in the acreage of farmland. An authoritative person said that Guangdong should have at least 50 million mu of land planted to grain, but last year Guangdong's grain acreage had fallen below the critical line, to stand at 48 million mu. The cost of growing grain is high, 50 kg for 47 yuan; but the selling price is low, 50 kg for 42 to 55 yuan. So the peasants are far from being able to get average profits from social production. "Low grain prices have hurt the peasants" and have caused their initiative in grain production to drop. Liang Lifeng appealed by saying: First, investment in agriculture, which is a "weak industry," should be increased. Last year, Guangdong's agricultural investment accounted for only 7.27 percent of its financial expenditure, a decrease of 5.81 percent in comparison with 1980. The percentage of agricultural investment in financial expenditure should be raised to 10 to 12 percent. Second, grain protection prices should be raised; the grain protection price of 50 kg for 70 yuan, which has been fixed by the provincial government, should be observed. Third, agricultural loans should be ensured so that they are used for grain and other agricultural production. Fourth, it is necessary to develop economies of scale.

Guangzhou Mayor Discusses Price Controls

HK0803130494 Beijing ZHONGGUO XINWEN SHE
in English 0817 GMT 8 Mar 94

[Text] Guangzhou, March 8 (CNS)—Guangzhou, capital of Guangdong Province, suffered a 25.1 percent rise in prices last year and inflationary pressures in the city this year has continued to increase. The solution to this problem, according to the mayor of the city, Mr. Li Ziliu, lies in intensification of reform and implementation of regulation and control measures.

Mr. Li, speaking yesterday at the second session of the 10th municipal People's Congress, said that in order to control and stabilize prices in the city, Guangzhou this year must further improve its reserve system for important commodities, set up a regulation fund for non-staple foodstuff prices, strengthen management over markets, especially pay greater attention to the management, regulation and control over the prices of vegetables, and establish several vegetable wholesale markets in its northern and eastern urban districts with the aim of reducing the amount of intermediate selling circles.

Mr. Li said that management over the meat and slaughtering markets would also be tightened and there would be a severe cracking down on such activities as purchasing at deliberately-forced-down prices, driving up of prices, overbearing activities in markets, selling of inferior products and the slaughtering of dead and diseased domestic animals.

The mayor also asked for strengthened supervision over prices, a stop to illegal charges being levied and the raising of prices while at the same time the interests of consumers must be protected as well as guaranteed stability and smooth operation of the markets.

The goal set to control the price rise in the city this year is 15 percent.

The city will focus its efforts of the construction of 18 shopping centres, 18 wholesale markets, two commercial districts and 14 indoor markets and make preparations for the setting up of futures markets for grain and edible oil and materials for agriculture and petroleum which will operate according to international practices, promoting the city's commercial business to a high level.

Guangdong Files Claims Over Inferior Imports

HK0703143794 Beijing ZHONGGUO XINWEN SHE
in English 1239 GMT 7 Mar 94

[Text] Guangzhou, March 7 (CNS)—Commodity inspection departments in Guangdong Province last year issued claims to related overseas trade dealers seeking claims of US\$47 million for their low-quality, damaged or insufficient goods.

According to statistics, the Guangdong Commodity Inspection Bureau last year checked over 400,000 batches of imported and exported goods worth US\$60.8

billion, more than 8,000 batches of which were imported goods valued at US\$32.3 billion.

According to the bureau, the commodity quality problems discovered by the bureau mainly focused on equipment, steel products, processed oil, grain and chemical products. Of these imported goods with a quality problem, most of the equipment coming under this description was out-dated and imported as investment by foreign businessmen with their technical performance failing to meet an acceptable level or even failing to have the basic technical requirements. Some of such equipment had been assembled with bad parts and components and were in an incomplete state. Some five percent of steel products imported via ports in Guangzhou last year were found to have quality or quantity problems.

Hainan Private High-Tech Enterprises Flourish

OW0703140494 Beijing XINHUA in English 1259
GMT 7 Mar 94

[Text] Haikou, March 7 (XINHUA)—Mushrooming private high-tech enterprises have contributed greatly to the scientific progress and economic development of south China's Hainan Province, a senior industry official said here today.

In the past years, these enterprises have undertaken most of the important research programs in the province and developed many new products of national significance, the official said.

These products include a microwave cancer killer, artificial bone, optic-fibre and natural carotene.

The Department of Science and Technology of the provincial government last year made a survey of 72 products of 44 private high-tech enterprises.

The survey showed that most of the 72 products are at or near advanced international levels. Many are best-selling or have great market potential.

The province has so far registered more than 1,000 private high-tech enterprises, most of them being started and operated by scientific researchers or experts.

The employees of all these enterprises have a sophisticated professional background. The officials said some 5,900 employees of the around-1,000 enterprises are of senior or medium professional level.

The official said more than 90 percent of these enterprises maintain close co-operation with scientific bodies and universities in the interior, where most of the employees came from.

This very close tie has enabled these enterprises to carry out a large part of the early-stage research and even manufacture at cheaper costs and formed a powerful backing to their development, the official said.

Hunan Secretary Discusses Enterprise Reform

HK0703120994 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 27 Feb 94

[Excerpts] [Words indistinct] At 0800 on 24 February, provincial CPC Secretary Wang Maolin arrived at the Zhonglian Guest House, where members of the Zhuzhou prefectural people's deputies delegation were staying. When Secretary Wang, who was grinning from ear to ear, entered the meeting hall, the people's deputies burst into warm applause. Smiling, Wang Maolin told them: Today, I am going to listen to your opinions on Governor Chen Bangzhu's government work report, and discuss with you the reform in Zhuzhou.

Immediately after Comrade Wang Maolin finished speaking, (Wang Qingming), mayor of Zhuzhou city, said: The development strategy for the whole province formulated by Governor Chen's government work report conforms with practical reality. We will build Zhuzhou into a hi-tech industrial base, a goods collection and distribution base, and a transport, information and telecommunications center in the southeastern part of Hunan. This is a fairly strenuous task. [passage omitted]

During the discussion, enterprise reform and the establishment of the system for modern enterprises was an issue much discussed by people's deputies. They showed very great interest in this topic for discussion. People's Deputies Wu Zhenduo, Cui Xinchun, and Ding Aiguo pointed out: It is extremely difficult to carry out enterprise reform, and we are encountering numerous difficulties. However, it does not work to give it up. Wu Zhenduo, chairman of the board of directors of the Nanfang Power Machinery Group, expressed his views in light of practical reality; after deep consideration, he stressed that the three measures taken by us for structural reform are comparatively successful as a whole. However, our reform is not yet in full swing. [words indistinct] We must push various trades and service toward the market.

Secretary Wang Maolin, who worked in enterprises for many years and has rich management experience, emphasized: The method adopted by the Nanfang Corporation is worth popularizing. This method for reforming the enterprise system actually means socialization of enterprises. State-owned enterprises in Zhuzhou's industrial circles must take the lead in this regard, and must set an example for the whole province. [passage omitted]

Hunan Secretary Addresses CPPCC Closing

HK1003072394 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 3 Mar 94

[Text] Provincial party committee Secretary Wang Maolin made an important speech at the closing ceremony of the second session of the seventh provincial CPPCC yesterday afternoon.

He said: Our province's CPPCC work mounted a new plane in 1993. The provincial party committee and the people of the whole province are satisfied with that. The tasks in 1994 for all work in the province are honorable as well as arduous, and this requires us to concentrate forces from all sides, including the CPPCC at various levels as well as broad CPPCC members, and give play to all positive factors to shape a mighty combined force to grasp reform, development, and stability.

Comrade Wang Maolin indicated: The central leadership has on several occasions stressed that CPPCC work during the new historical stage must not be weakened but augmented, completed, and perfected. The CPPCC comprises representative figures from various social circles: representatives from various democratic parties are just part of them. This being the case, we should not believe that without democratic parties, the CPPCC organization would be dispensable. Comrade Wang Maolin stressed that party committees at various levels strengthening leadership in a down-to-earth way and all-out support from governments at various levels are the crux of giving full play to the CPPCC's role. To achieve this, party committees at all levels are required to include the improvement and strengthening work of the CPPCC on the agenda. They should make arrangements to hear reports on the work of the CPPCC twice a year; at the same time, they should present topics for research and assign tasks to the CPPCC. Party committees and governments at all levels should solicit opinions from CPPCC organizations before important decisions are presented. This should be shaped into the institution.

In addition, Comrade Wang Maolin stressed that to give full play to the CPPCC's role, CPPCC organizations at all levels must work hard to improve their own work, especially augmenting the work of various ad hoc committees through reform and giving play to the function of CPPCC members in its entirety. In particular, he mentioned that CPPCC members who still take responsible office in party and government departments should take an active part in CPPCC activities which participate in government and discuss state affairs while doing a good job of their own work. They should not be absent from these activities arbitrarily and be members of the CPPCC in name alone.

Hunan Governor Discusses Work Report

HK0703133894 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 27 Feb 94

[Text] Yesterday [27 February], Governor Chen Bangzhu was present at the panel discussions of the Shaoyang city, Hengyang city, and Huaihua prefectural delegations, one after another, to listen to deputies' suggestions and opinions on the government work report.

While talking with people's deputies from Shaoyang yesterday, Governor Chen Bangzhu stressed: As a deputy of Shaoyang, I come here today mainly to listen to your proposals and views on the government work

report. I hope you will speak without any inhibitions. Chen Qiusheng, provincial people's deputy and manager of the Qingshao cigarette factory; Liu Zhigang, Wugang County magistrate; Li Zigang, Xinshao County magistrate; and others spoke one after another. In his speech, Deputy Liu Zhigang fully affirmed the work achievements of the provincial government last year, and favored the arrangements for the work this year. He also suggested that large projects be provided for Shaoyang.

Governor Chen Bangzhu stressed: Modern enterprises must take the road of high technology. They must not always think of large projects. They must proceed from invigorating themselves.

In the afternoon, Governor Chen Bangzhu and Vice Governor Zhou Shichang led responsible persons of the provincial planning, economic, and construction commissions to take part in the discussion of the Hengyang city delegation. (He Xinjun), people's deputy and acting mayor of Hengyang, made a special speech in light of the city's practical reality. He said: Whether Hunan is attractive is determined by its macroenvironment [words indistinct]. It is necessary to further form a rational pattern for opening to the outside world, and the provincial, city, and county authorities must make concerted efforts to set their sights on the outside world so as to place their emphasis on an export-oriented economy. Deputy Zhou Tongxin talked about the Hengyang railway station reconstruction project, and the (Meiliang) airport construction project. Governor Chen Bangzhu urged the provincial departments concerned to put forward their plans, then and there.

After that, Chen Bangzhu came to the panel discussion of the Huaihua prefectural delegation. (Hu Zhongyuan), administrative commissioner of the prefecture; (Xiang Maolin), chairman of the Xupu County People's Congress Standing Committee; and others expressed their views on the development of counties and districts, the migration from reservoir areas, transportation projects, [words indistinct], the integration of policies, and so on. Governor Chen Bangzhu answered these questions one after another.

Southwest Region

Sichuan Police Seize 26.9 Kg of Heroin

HK1003063294 Beijing ZHONGGUO XINWEN SHE
in English 0728 GMT 9 Mar 94

[Text] Chengdu, March 9 (CNS)—Chengdu police recently cracked a large drug trafficking case, seizing 26.9 kg of heroin and sending 18 criminals to the justice department for handling.

According to the Sichuan Provincial Bureau of Public Security, on August 28 last year, police in the Jinmu District of Chengdu Municipality learnt that a gang of people were engaging in drug trafficking. Police were immediately sent to track down and investigate the case

after which they were joined by another special police team, organized by the provincial, municipal, and district public security departments, taking the total number of policemen on the case to over 100. The case was finally settled after over 170 days of efforts.

The drug trafficking gang was made up of illegal elements from Yunnan, Sichuan, and Guangdong. Since the first half of 1992, these criminals, acting in league with overseas drug traffickers, had conducted drug trafficking and smuggling activities on several occasions, making profits of several millions of renminbi.

In this case, the police also confiscated five imported luxury cars, over 1 million renminbi, and a number of weapons, ammunition, and equipment for drug processing.

Tibetans Leave for NPC, CPPCC Sessions

OW0503014994 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 4 Mar 94

[From the "News" program]

[Text] Carrying with them the expectations of people of all nationalities in Tibet, Tibet's deputies to the second session of the Eighth National People's Congress [NPC] and representatives to the second session of the Eighth Chinese People's Political Consultative Conference [CPPCC] National Committee left Lhasa by special plane this morning for Beijing for the meetings.

To do a good job in presenting the Tibet people's requests, suggestions, and expectations at the meetings, the deputies and representatives visited grass-roots units and their constituents to familiarize themselves with Tibet's economic reform as well as its cultural and educational development and the state of public health, agriculture, and animal husbandry. They also extensively solicited views of cadres and masses in various sectors; heard a report given by the regional people's government about Tibet's economic affairs in 1993 and reform projects for 1994; and discussed many ideas and suggestions with regard to Tibet's reform, opening up, and economic, spiritual, democratic, and legislative construction. They pledged that they would never disappoint the people in Tibet and will convey their high expectations to the Beijing meetings.

The deputies and representatives were seen off at the airport by leaders of Tibet and relevant departments.

'Massive' Military Build-Up Reported in Tibet

HK0503080494 Hong Kong EASTERN EXPRESS in English 5 Mar 94 p 6

[Text] China has engaged in a massive military build-up in Tibet and conditions there are getting worse despite U.S. pressure for greater respect of human rights, a watchdog group said on Thursday [3 March]. "Today there are as many Chinese soldiers in Lhasa as there are Tibetans. Tibet, its people, and its unique culture are in

grave jeopardy," said Lodi Gyari, president of the International Campaign for Tibet (ICT).

There has been no progress on human rights in Tibet in the past year, Gyari said. The ICT showed photographs smuggled out of Tibet showing a massive build-up of military facilities, six prisons, and huge areas of new housing. The group also displayed an official city planning map for Lhasa in the year 2000 which showed the traditional Tibetan areas of the city reduced to virtually nothing—just the Jokhang and Potala palaces, described as cultural and tourist sites.

Roads to monasteries in and around Lhasa are frequently the sites of military checkpoints, effectively restricting monks' movements, and military installations virtually surround many monasteries, the ICT said. "ICT and others have documented repeated and widespread use of arbitrary detention, torture and repression of religious and other civil freedoms throughout occupied Tibet," the ICT said.

ICT hoped to alert Americans as the country weighed renewal of China's Most Favoured Nation trading status. President Bill Clinton said last year that he would not extend China's MFN beyond June 1994 unless Beijing could demonstrate significant progress on human rights. One specific request was that China begin dialogue with the exiled Tibetan leader, the Dalai Lama.

Gyari endorsed Clinton's call for China to begin talks with the Dalai Lama, but said there must be a clear commitment from the Chinese government to the time, place and a substantive agenda for such negotiations to be useful. "In the case of Tibet, China has made no signs of taking steps to protect Tibet's unique cultural and religious heritage, as stipulated in the president's MFN executive order," the ICT said.

Human rights analysts believe the number of political prisoners held in Lhasa's six prison camps has risen by 30 percent in the past year, the ICT said. China has countered that Tibet remained at the centre of anti-socialist activity from "internal and external hostile forces".

Tibet Bans Relay of BBC, Star TV Programs

OW0903201994 Lhasa Tibet Television Network in Mandarin 1200 GMT 9 Mar 94

[From the "Regional News Hookup" program]

[Text] It was learned from a work conference on the management of cable television, which opened on 4 March, that according to relevant decrees and regulations on management issued by the State Council and the Ministry of Radio, Film, and Television, the Tibet Radio and Television Department, its Public Security Bureau, and the State Security Department will jointly conduct a comprehensive inspection, registration, and rectification of units subscribing to cable television channels and owning ground satellite stations in Tibet.

Because the work in management and other aspects failed to keep abreast with the situation of rapid development, the blind expansion of satellite ground stations and cable television stations, poor censorship of programs, and other problems have cropped up in some areas in Tibet in the past couple of years. To solve these problems and to subject the utilization of ground facilities for receiving satellite signals and the management of cable television to legal administration for orderly development, the regional radio and television department, public security bureau, and state security department will conduct a comprehensive inspection, registration, and rectification campaign.

All units should immediately stop receiving and relaying programs from the BBC, the Chinese Channel, the Entertainment Channel, and the Sports Channel of Star TV; and other television stations outside Tibet. Units owning two ground satellite stations must close down one of them. The Holiday Inn and other foreign-funded hotels, which have registered to receive programs from outside Tibet, should immediately stop receiving and relaying programs from the BBC. Units wishing to receive programs from outside Tibet should undergo examination and approval procedures again. Units which have applied for the installation of such facilities and have received permits for installation, permit-holding units which have clarified the kinds of programs they are receiving, and units whose installed facilities have passed assessment and have obtained permits to broadcast programs must go through relevant procedures again with the departments concerned by 5 April. Those who do not comply with this order will be punished strictly according to rules, and those who are involved in serious cases will be charged with criminal responsibility.

Yunnan Governor Delivers Government Work Report

HK1003114394 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 1 Mar 94

[Excerpts] The Second Session of the Eighth Yunnan Provincial People's Congress opened solemnly in Kunming People's Victory Hall this morning. The session was presided over by Yin Jun, executive chairman of the presidium, and executive chairman of the session. Other executive chairmen of the session included: Pu Chaozhu, Bao Yongkang, Yang Yitang, Yang Ming, (Bao Guodong), Li Shuji, Bai Zuoguang, Bao Hongzhong, and (Mai Zhiqiu).

At 0900, Yin Jun announced the opening of the second session of the eighth provincial people's congress. [passage omitted]

Provincial Governor He Zhiqing walked to rostrum amid warm applause to deliver his provincial people's government work report. While reviewing last year's work, He Zhiqing said: The year 1993 was one in which we implemented in an all-round manner the spirit of the 14th CPC National Congress and the Third Plenary

Session of the 14th CPC Central Committee. Governments at all levels in our province guided the people of various nationalities to constantly deepen reform, make efforts to expand opening up, actively speed up development, overcome various kinds of difficulties, and create a new situation in various work in accordance with the demand of establishing the socialist market economy system, and the spirit of the first plenary session of the eighth provincial party committee. All these were manifested in the following: Our national economy maintained its faster pace of development; a new step was taken in economic structural reform; results were achieved in exercising macroscopic regulation and control; marked achievements were made in key construction projects; opening up to the outside world was further expanded, and new results achieved in education, science and technology, and other undertakings; people's livelihood in both urban and rural areas was further improved; democracy and the legal system were continuously improved; the building of spiritual civilization was further strengthened, and phased achievements were made in the anticorruption drive and in the promotion of clean, honest administration.

While talking about the main tasks for 1994, He Zhiqing stressed: The main guideline for the work of the provincial government is: Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and by the party's basic line, we will fully implement the spirit of the 14th CPC National Congress, and the Third Plenary Session of the 14th CPC Central Committee to actively promote various reforms, with the establishment of a socialist market economy system as the target. We will further expand opening up, will continue to maintain a sustained, rapid and healthy development of the national economy, and will strengthen the building of socialist spiritual civilization and the development of democracy and the legal system. We will safeguard political stability, and promote all-round social progress. In other words, in accordance with the major guideline formulated by the CPC Central Committee and the State Council for the work of the entire party and the whole country, and in light of Yunnan's local conditions, we will further emancipate our minds, seize the favorable opportunity, deepen reform, expand opening up, promote development, and maintain stability.

He Zhiqing continued: To fulfill the various tasks for 1994, we must devote our main efforts to firmly grasping the following 12 kinds of work: 1) Advancing our entire cause, giving prominence to focal points, and speeding up the establishment of the socialist market economy system; 2) Truly strengthening agriculture as a foundation for fully developing the rural economy; 3) Firmly grasping production in the industrial and transportation fields so as to enhance economic results; 4) Maintaining a rational scale of investment in order to continue strengthening key construction projects; 5) Accelerating the pace of adjusting the economic structure so as to develop new undertakings with strong points; 6) Further

expanding opening up to the outside world; 7) Continuing to pay attention to accelerating economic development in areas inhabited by minority nationalities and in impoverished areas; 8) Truly doing a good job in making proper arrangements for people's livelihood; 9) Accelerating the development of education, science and technology, and other undertakings; 10) Strengthening the building of spiritual civilization, and the development of democracy and the legal system so as to create a fine social environment for reform and opening up; 11) Transforming government functions so as to promote structural reform in an effective way; 12) Profoundly carrying out the anticorruption struggle and promoting a clean and honest administration so as to truly improve government work. [passage omitted]

Correction to Article on Tibet Law Publication OW0403144394

The following correction pertains to the article headlined "State Security Official Views Law Publication in Tibet," published in the 4 March China DAILY REPORT, pages 59-61:

Page 61, first partial paragraph, last sentence, make read: ...part of the second "five-year plan" to disseminate knowledge of...(rewording)

North Region

Beijing's Chen Xitong, Li Qiyang Visit Former Mayor

SK0403065994 Beijing BEIJING RIBAO in Chinese 11 Feb 94 p 1

[By Yan Liqiang (0917 0500 1730): "Comrade Peng Zhen Wishes Beijing People A Happy New Year"]

[Text] Chen Xitong, secretary of the municipal party committee, and Li Qiyang, mayor of Beijing, visited Comrade Peng Zhen at his home on the eve of the Spring Festival. They extended new year greetings on behalf of the people and communist party members of Beijing, to the former secretary and mayor and wished him long life and a happy Spring Festival. Comrade Peng Zhen was very pleased, and also wished Beijing's people and the communist party members a happy new year.

Comrade Peng Zhen, who is 91 years old, cordially talked with the municipal leaders with a high spirit and clear mind.

Chen Xitong and Li Qiyang said: Under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, Beijing improved all of its 1993 work over work in 1992 and achieved sustained, rapid, and healthy economic development. The per capita income of urban staff members and workers registered a substantial increase last year thanks to economic development. However, we still have some poverty-stricken, mountainous areas and low-income plants, shops, schools, and

households that are experiencing difficulties. We will make efforts to solve this problem as a priority in our endeavors to achieve a fairly comfortable life in the next few years and make it a success.

Comrade Peng Zhen said happily that healthy development was genuine development. He emphasized that great efforts in improving state-owned, large and medium-sized enterprises and agriculture, were key to this development.

Chen Xitong said: This year's tasks for reform and development are very arduous. Great efforts should be made to maintain political and social stability in the capital. Meanwhile, we should further emancipate our minds, seize the opportunity, conduct investigation and study, make breakthroughs in key areas, and resolutely implement the arrangements of the party Central Committee and the State Council to win still greater achievements in the capital's reform, opening up, and modernization drive.

Comrade Peng Zhen said: Stability is a major task concerning the entire country, and the capital should take the lead in maintaining it. Without a stable environment, nothing can be developed.

Chen Xitong said that to continuously promote the cause of building socialism with Chinese characteristics as advocated by Comrade Xiaoping, we should strengthen party building and, in particular, achieve ideological and theoretical progress and improve leading bodies. He reported to Peng Zhen that the end-of-term reshuffles of district and county leading bodies improved the age structure to add impetus to the orderly succession of cadres. Comrade Peng Zhen said: A good age structure is good. Without the combination of old, middle-aged, and young comrades, the party's line will lack continuity. The basic issue is to uphold socialism and communist ideals. Communist party members should intensify study of Marxist theory, persistently seek truth from facts, uphold truth, and correct mistakes that may arise. In this way, they will have bright prospects and make progress endlessly.

Chen Xitong said to Peng Zhen: Eleven years ago when I first served as the mayor, I asked you for instructions. You gave me four: 1) say less and do more, and say nothing about completed work; 2) a mayor needs money at his disposal, thus meaning that production needed to be developed to increase financial resources; 3) set the highest possible standards on all work and advance continuously; and 4) "measure several times before cutting" by conducting more investigation and study. I have benefited greatly from these four instructions. When Comrade Li Qiyang became the mayor, I passed on the instructions to him. Li Qiyang said: I kept your four instructions in mind constantly. In your introduction remarks to the "Frontline" magazine, you urged us to adhere to the thinking of seeking truth from facts, and we have always used it to guide our work. Comrade Peng Zhen smiled.

Li Zhijian and Chen Guangwen, deputy secretaries, and Duan Bingren, secretary general of the municipal party committee; and Fan Yuanmou, secretary general of the municipal government; also visited Comrade Peng Zhen together.

Beijing To Build More Dwellings Over 4 Years

OW0903073194 Beijing XINHUA in English 0639
GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—Beijing will construct more flats in the coming four years to meet the growing demand of the citizens, Deputy Mayor Zhang Baifa told a municipal residential housing working conference.

He revealed that by 1997 the living space in Beijing is to reach 14 sq m per capita, 5.7 sq m more than the figure at the end of 1993.

Over the past 15 years of reform, Zhang said, Beijing has poured about 26 billion yuan (some three billion U.S. dollars) into house-building, erecting 1.3 million flats with a total area of nearly 80 million sq m.

By 1993 the living space increased to 8.3 sq m per capita, almost double that in 1978.

However, house construction still cannot keep up with the demand, the mayor said.

According to the plan, from now to 1997 the city intends to build 2.5 million sq m of improved living quarters.

In a departure from the present monotonous layout of blocks, the appearance and style of buildings will be diversified. The surrounding environment will also be improved, Zhang said.

Complementary facilities for education, medical care and recreation as well as commercial, financial, telecommunications and postal services will be set up at the same time, he added.

Shaanxi Sets Up Share-Holding Company To Build Expressway

OW1003114494 Beijing XINHUA in English 1119
GMT 10 Mar 94

[Text] Xian, March 10 (XINHUA)—Shaanxi provincial government recently decided to set up a share-holding company to construct an express highway from its Lintong County to Weinan city.

It is the fourth province in China to experiment in construction of express highways with shares to raise funds.

The other three provinces are Hainan, Guangdong and Zhejiang.

The 40.7-kilometer express highway will link up with another Shaanxi express highway from Xian to Lintong.

Work on the project is due to start in June. The share-holding company will complete its fund-raising through issuing stocks by the end of May.

Total investment for the project will be 500 million yuan.

Apart from the management, construction and maintenance of the expressway, the company will also be responsible for construction of the service facilities, real estate development, tourism programs, advertising and entertainment facilities.

Tianjin Secretary Discusses Tree-Planting Efforts

SK0803064594 Tianjin People's Radio in Mandarin
2300 GMT 7 Mar 94

[Text] On the afternoon of 7 March, the municipal party committee and the municipal government held a tree-planting work mobilization rally to call on people across the municipality to take action quickly, actively participate in the activities of planting trees and beautifying Tianjin Municipality, strive to create first-grade work and contributions, and enable Tianjin's urban and rural tree-planting work enter a new stage.

Municipal leaders, including Gao Dezhan, Zhang Lichang, Li Jianguo, Li Shenglin, Yang Zhihua, Zheng Zhiying, Lu Xuezheng, Wang Dehui, Ye Disheng, Xie Shaoyi, and Zhang Guanwen, attended the rally. Mayor Zhang Lichang presided over the rally. Vice Mayor Wang Dehui delivered a report, entitled: Seizing the Opportunity, Encouraging All People to Take Action, and Raising Tianjin's Greening and Afforestation Work to a New Level.

This year's tree-planting target is: The entire municipality should plant 13 million trees, of which 1 million trees should be planted in the urban areas, build 70 hectare of green areas, plant 12 million trees in the suburban counties, and afforest 20 million mu of land so that the greening coverage and the average per capita public green areas will increase every year.

Gao Dezhan, secretary of the municipal party committee, said: To build Tianjin into a modernized international port and big city and to make it stand independently among the galaxy of well-known cities of the world, we should try by all possible means to improve the tree-planting work. Planting trees and making the land green and beautiful is a huge project. In order to successfully carry out this project, we must continue to attend to the following few tasks on the basis of the past achievements:

First, we should focus on raising the economic returns and social effect, further improve planning work, and implement measures; second, strengthen management over tree-planting work, persist in giving simultaneous emphasis to tree planting, management, and protection, and ensure that all the trees planted will grow well and become a tract of forest; third, rely on science and

technology while planting trees and paying attention to actual results; fourth, combine afforestation and greening work with strengthening the building of socialist spiritual civilizations, promote the planting of more meaningful memorial trees and forests, and actively advocate the practice of taking good care of trees and protecting the environment among the people; fifth, increase investments through various channels and raise the tree-planting efficiency; and sixth, conscientiously implement the system of conducting regular inspections, commend those who do a good job in this aspect, criticize those who do a bad job, and circulate a notice of criticism by name on some cases.

Gao Dezhan stressed: Tree-planting and afforestation work is the common task of the whole party and society. The whole party should pay attention to this, and all the people should be mobilized to successfully carry out this major affair which will bring benefits to the country and the people.

Tianjin Mayor Views Development of Seaside Zone

OW0603143794 Beijing XINHUA in English 1359
GMT 6 Mar 94

[Text] Tianjin, March 6 (XINHUA)—North China's port city of Tianjin is stepping up the development and opening of a new seaside zone as part of the city's persistent efforts to open to the outside world, said the city mayor.

Mayor Zhang Lichang told the municipal people's congress that a blueprint for the building of the seaside economic zone has been completed after a long time of preparation and deliberation and his government will redouble efforts to implement it.

He revealed the basic framework of the emerging economic zone, which includes the Tianjin Port, the free trade area, and the economic and technology development zone along the seaside.

The zone, featuring the export-oriented economy and booming industries such as the metallurgy and chemical industry, commerce, finance, and tourism, will be developed into a free port area with complete infrastructural facilities and multi-functional services.

In addition, the zone's gross domestic product (GDP) and gross export value are expected to account for over 40 percent of the city's total in the coming decade, Zhang said.

Describing the future of the seaside zone, Zhang said that emphasis will be placed on the construction of the Tianjin Port, the development zone, the free trade zone, the chemical industrial area, and infrastructural facilities.

The Tianjin Port will be made one of the country's first-class ports, capable of handling over 40 million tons of goods and over 500,000 standard containers.

The development area will enlarge Tianjin's foreign investment and expand its foreign economic trade. The total industrial output value is targeted for 11 billion yuan.

Meanwhile, the construction pace of the free trade zone will also be quickened. A good service system for storing, transporting, and processing will be built in order to bring them into line with the requirements of the world market.

The official said that more funds will be pooled for infrastructural projects, such as expressways, highways, water works, and thermal-power plant.

Tianjin Releases Report on Economic Growth in 1993

OW0803142594 Beijing XINHUA in English 1341
GMT 8 Mar 94

[Text] Tianjin, March 8 (XINHUA)—The Planning Committee of Tianjin, China's third largest city, recently released a report on its economic growth in 1993.

The report shows the city registered gross domestic production worth 50.3 billion yuan last year, increasing by 11.8 percent over 1992.

In the same period, reserves in city coffers went up by 21.8 percent to reach 7.31 billion yuan. The report says the increase is the largest in more than one decade.

Its grain production came to a record 1.998 billion kg in 1993, and its industrial sector created a value of 124.7 billion yuan, up 24.5 percent from 1992, the report says.

In the past year, the city exported 1.928 billion U.S. dollars worth of commodities, making a 10.9 percent increase over that of 1992.

The past year also saw the signing of 3,538 new Sino-foreign joint ventures in the city, involving a contracted investment of 2.256 billion U.S. dollars by overseas businesses. The report says this is more than the sum of all that had been signed in the previous 14 years.

Its infrastructure underwent major improvements in 1993. The report says its port handling volume rose by 26.9 percent to reach 37.18 million tons in 1993, and 168,400 more lines were added to its telephone networks.

Economic reform moved a step further in the city in 1993. Sixty percent of its commercial enterprises and more than 1,000 rural enterprises have turned to private operation or the stock holding system. 25 more stock or limited liability companies were newly approved, to increase the number of such companies to 58.

The past year also witnessed a remarkable development in the securities, technology, information, real estate, raw materials and many other markets in the city, the report adds.

Northeast Region

Heilongjiang Secretary on Leaders' Thinking, Work Style

SK0103145394 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 28 Feb 94

[Text] The provincial meeting of leading bodies to exchange experiences in the improvement of thinking and work style was held in Harbin on 28 February.

The meeting studied and arranged the issues on how to further strengthen the improvement of leading bodies' thinking and work style and to ensure the elevation of the economic construction to a new height under the socialist market economic conditions.

Sun Weiben, Shao Qihui, Zhou Wenhua, Ma Guoliang, Tian Fengshan, Shan Rongfan, Meng Qingxiang, and Qi Guiyuan attended the meeting.

At the meeting, Sun Weiben made a speech entitled: Leading Cadres Should Take the Lead in Waging an Arduous Struggle.

He said: In 1994, there are many difficulties that we should overcome and there are many new contradictions and problems that we should solve. So, the leading cadres at various levels are required to take the lead in waging an arduous struggle in an effort to create a situation of waging an arduous struggle and cooperatively pioneering the great undertaking.

He pointed out: In the new stage of reform, opening up, and modernization, the spirit of arduous struggle means unswervingly implementing the basic line of the party and organically combining hard labor with creative labor. We should strive to create concrete work achievements. We should concentrate energy on economic construction, try every possible means to overcome the difficulties cropping up in the course of development, and strive for a faster development speed. We should persist in the mass line, share weal and woe with the masses, do more concrete deeds for the masses, and establish close contacts between the party and the masses. It is necessary to resolutely resist the influence of the corrosive ideas of the capitalist class, to be diligent and honest in performing official duties, to encourage frugality, and to promote a social practice of healthy progress and opening up in a civilized way.

Sun Weiben stressed: Setting up the new socialist market economic system is a completely new and arduous task. Thus, the leading cadres at various levels are required to bravely blaze new trails, keep forging ahead, and fundamentally persist in the three-conducive standards. Instead of simple and indiscriminate imitation, we should creatively implement the higher-level arrangements according to our actual conditions. We must not adopt the attitude of dodging or shifting responsibility onto others when coming across [words indistinct] problems in our work. On the contrary, we should carry

forward the spirit of having the daring to do pioneering work, trying and risking, and advancing despite difficulties.

Ma Guoliang, deputy secretary of the provincial party committee, made an arrangement for further strengthening the improvement of leading bodies' thinking and work style.

He said: We should regard that whether or not the basic line of the party is successfully implemented and whether or not the role as the core in conducting reform and developing the economy is better played as the fundamental standards for assessing the leading bodies' performances so as to noticeably strengthen the improvement of their thinking and work style. The leading bodies at various levels should undertake the heavy task for reform, become powerful collectives to guide the people of the province to develop the economy, arm the thinking with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, strictly implement democratic centralism, bring into play their overall functions, strengthen the improvement of administrative honesty, foster a good image, work solidly, and [words indistinct].

Heilongjiang People's Congress Session Ends 1 Mar

SK0203043494 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 1 Mar 94

[Text] The second session of the eighth Heilongjiang Provincial people's congress ended in Harbin this afternoon after successfully fulfilling all items on the agenda. The closing ceremony was presided over by Executive Chairman Sun Weiben. Other executive chairmen of the congress, including Li Genshen, An Zhendong, Qi Guiyuan, Xie Yong, Du Xianzhong, Liu Hanwu, Liu Tongnian, (Zhang Shuyu), Wang Zhenlin, Liu Molin, (Zhao Hongyan), and Wang Shouye, sat in the front row of the rostrum.

Leading comrades of the provincial, government and army organs, including Shao Qihui, Zhou Wenhua, Ma Guoliang, Tian Fengshan, Shan Rongfan, Meng Qingxiang, Yu Jingchang, Yang Zhihai, Ma Shujie, Wang Haiyan, Huang Feng, Fu Shiyong, Guo Shouchang, Zhao Shijie, Chen Zhanyuan, Wang Zhitian, and Wu Dinghe were also seated on the rostrum. Also sitting on the rostrum were provincial-level retired veteran comrades, such as Zhao Dezun, Chen Lei, Li Jianbai, Wang Zhao, and Chen Jianfei; Tang Xianqiang, president of the provincial Higher People's Court; and Yu Wanling, chief procurator of the provincial People's Procuratorate.

Voting by a show of hands, the congress session adopted the method for electing members of the standing committee of the eighth provincial people's congress, the namelist of chief ballot supervisor and vice supervisors, the resolution of the second session of the eighth Heilongjiang Provincial people's congress on the government work report, the resolution of the second session of

the eighth Heilongjiang Provincial people's congress on approving the report on the fulfillment of the 1993 budget and on the 1994 draft budget, the resolution of the second session of the eighth Heilongjiang Provincial people's congress on the work report of the provincial people's congress standing committee, the resolution of the second session of the eighth Heilongjiang Provincial people's congress on the work report of the provincial Higher People's Court, the resolution of the second session of the eighth Heilongjiang Provincial people's congress on the work report of the provincial People's Procuratorate, the provisional regulation of the special committee of the Heilongjiang Provincial people's congress, and the decision on assigning the vice chairman of the standing committee to concurrently hold the post as chairman of the special committee of the eighth Heilongjiang Provincial people's congress.

Voting by secret ballot, 540 provincial deputies elected Xu Wenzheng and Liang Weiling members of the eighth provincial people's congress standing committee at the session. Amidst enthusiastic applause, Sun Weiben presented certificates of approval to the newly elected members of the provincial people's congress standing committee and gave a speech.

Sun Weiben said: The second session of the eighth provincial people's congress has come to a successful end. It is hoped that, after this congress session, all deputies will actively publicize the congress guidelines, take the lead in implementing all resolutions adopted at the congress, unite with the people of all nationalities across the province, work with one heart and one mind, immerse in hard work, and strive to realize our established objective and promote a sustained, rapid, and sound economic development throughout the whole province.

The congress session ended with the solemn playing of the national anthem.

Heilongjiang Secretary Attends Propaganda Work Conference

SK0803030394 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 7 Mar 94

[Text] The provincial propaganda and ideological work conference opens in Harbin this morning.

At the conference, Sun Weiben, secretary of the provincial party committee, made a speech entitled "Attach High Importance To And Realistically Achieve the Propaganda and Ideological Work Under the Market Economic Conditions."

Sun Weiben said: To achieve the 1994 provincial tasks for reform, opening up, and modernization, the people from higher levels downward across the province should unite as one and make concerted efforts, all fronts should work closely in line with the central task of the party, and it is also necessary to strengthen and improve the propaganda and ideological work and to upgrade the level of

serving the overall party work situation. At the national propaganda and ideological work conference, Comrade Jiang Zemin set forth major propaganda and ideological work tasks under the conditions for setting up the socialist market economy. The province should strengthen the active and creative nature of the propaganda and ideological work and the sense of responsibility for carrying out the work and further successfully carry out the work in a down-to-earth manner.

Sun Weiben pointed out: The 1994 propaganda and ideological work priorities are to further organize the people to study the third volume of the Selected Works of Deng Xiaoping; to implement to the letter the task of arming the whole party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; to persist in the principle of linking theory with practice; to emphatically solve the practical problems; to conduct the education on the purpose of the party within the party, conduct the education on the Chinese nation's traditional virtue, and conduct the education on ardently loving the socialist motherland among the youngsters in line with the provincial fighting targets for economic and social development and the provincial work tasks; to strive to cultivate the new persons with ideals, education, morality, and a sense of discipline; to vigorously support the production of the spiritual products reflecting the main melody; and to strive to create high-taste, high-style, and high-grade cultural works so as to satisfy the people's increasingly higher spiritual and cultural demands and to mobilize the people's spirits and vitality. We should vigorously strengthen the management of cultural markets and ensure that our literary and artistic works and cultural markets conform to the main melody of the times and the social progress.

Sun Weiben said: We should prominently propagate and explain the relationship between reform and development and stability and provide an accurate media orientation for reform and construction. The press work should closely coordinate with the propaganda work. Both the press and propaganda fronts should tightly grasp the accurate guidance orientation, have a clear-cut stand to support reform, and go all out to safeguard political and social stability. We should prominently attend to the propaganda on economic work, reform, and opening up and create a good ideological and media environment for making Heilongjiang prosperous and developing Heilongjiang.

Sun Weiben stressed: We should realistically strengthen leadership and really bring into play the functions of the propaganda and ideological work departments and their work contingents. The party committees and governments at various levels, all fronts, and all departments should foster the awareness of mass propaganda and form cohesive power for strengthening the propaganda and ideological work. That whether or not the leading cadres pay attention to and achieve the propaganda and ideological work should be regarded as a key indicator for assessing their political awareness and leadership

ability. That whether or not the propaganda and ideological work and the spiritual civilization are successfully carried out should be regarded an important standard for judging their success or failure. To achieve the propaganda and ideological work, the party committees and governments should work according to the practice of the central authorities and in line with the real demands for strengthening the propaganda and ideological work, and gradually increase the economic input to the propaganda and ideological work.

In regard to the issue concerning the construction of the propaganda and ideological worker contingent, Sun Weiben pointed out: It is necessary to cultivate a propaganda and ideological worker contingent with the spirit of contributions, the style of respecting professional work, the strong sense of political awareness, proficiency in professional work, and moral integrity. The party committees at various levels should enthusiastically show concern for this contingent, try every possible to help improve their working and living conditions, and make them happy and do their jobs cautiously and prudently.

The major tasks of the provincial propaganda and ideological work conference are to study, relay, and implement the guidelines of the national propaganda and ideological work conference; and to study the tasks, targets, and measures for strengthening and improving the propaganda and ideological work.

Present at the conference were Provincial Leaders Tian Fengshan, Shan Rongfan, Yang Guanghong, Wang Xianmin, Li Qinglin, Liu Hanwu, Sun Kuiwen, and Dai Moan; and responsible comrades of the propaganda departments at various levels.

Yang Guanghong, standing committee member of the provincial party committee and director of the propaganda department, relayed the guidelines of the national propaganda and ideological work conference.

Jilin Conference Discusses Improving Social Order

SK0403095394 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 2 Mar 94

[Text] The commission on politics and law under the provincial party committee and the provincial committee for overall improvement of social order urged that from now on, all localities and all departments concerned should immediately go into action and rapidly make a good start in launching the battle of improving social order.

On the afternoon of 2 March, the commission on politics and law under the provincial party committee and the provincial committee for overall improvement of social order held a telephone conference to mobilize all people of the province to engage in the battle of improving social order in spring. The conference urged that the

leading comrades of the departments concerned at various levels and the broad masses of security cadres and policemen should have a sense of high responsibility to the party and the people, consciously and positively engage in the battle of improving social order in spring, bring the battle of improving social order into line with the major work agenda of the provincial party committee and the provincial government, and regard the battle as a great matter and attend to it. The party and government principal leaders should personally assume leadership over the work and personally solve major problems cropping up in the course of launching the battle. All departments concerned should work closely in cooperation with one another, build up a powerful momentum to meet for the battle, and organize capable work teams to coordinately meet for the battle. We should concentrate human, material, and financial resources so as to provide reliable material guarantees for meeting for the battle.

The conference urged: To win a success in the battle, the political and legal departments and the public security departments should bring into play their role as the main force, fully exercise their functions, resolutely implement the principle of sternly and rapidly punishing criminals according to laws, strengthen the extent of attacks, and strengthen various measures for management of social order according to laws. The political and legal departments and the public security departments should work closely in cooperation with one another, strengthen unity, and enhance the overall functions for meeting for the battle. All departments concerned should positively join the battle of improving social order, get rid of the wrong idea of having nothing to do with themselves, take on the duty that they should do, and ensure the smooth and effective progress of the battle. In launching the battle, we should put attacks in a prominent position.

The conference stressed: We should sternly deal blows to serious criminal activities with the focus on cracking major cases, eliminating gangs of criminals, and pursuing escaped criminals; regard it as the primary important task of battle; and firmly attend to it. We should intensify the investigation work, concentrate efforts to tackle difficult problems, and strive to crack a number of major and appalling cases. Leaders should personally engage in the cracking of major cases on a contracted responsibility system. Handsome awards should be given to the personnel with contributions to cracking major cases. Those who create serious consequences to the neglect of duties should be investigated and called into account. The rest follow-up links relating to the attacks against criminals should immediately and lawfully handle the cases, that have been investigated.

The conference pointed out: This battle should be focused on putting attacks in a prominent position. Simultaneously, educational, defense, management, building-up, and reformatory links should appropriately catch up with the progress of the battle; cooperatively work for and ensure the progress of the battle; and consolidate the achievements in the battle. We should

study ways and work out necessary measures for solving key problems, make the measures for overall improvement of social order coordinate with one another, actually bring into play the functions of the departments for overall improvement of social order, and make real achievements in the battle.

Jilin's Siping, Liaoyuan Cities Elect New Mayors

SK0903010594 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 8 Mar 94

[Text] At the first session of the third Siping City People's Congress, Li Shixue was elected chairman of the city people's congress standing committee, and Zang Shengye was elected mayor of Siping city.

At the first session of the third Liaoyuan City People's Congress, Zhao Yongji was elected chairman of the city people's congress standing committee, and An Li was elected mayor of the city.

Liaoning People's Congress Session Opens 28 Feb

SK0103141594 Shenyang Liaoning People's Radio
Network in Mandarin 1000 GMT 28 Feb 94

[Excerpts] The Second Session of the Eighth Liaoning Provincial People's Congress opened at Liaoning People's Theater in Shenyang on the afternoon of 28 February.

Present at the session as executive chairmen of the session were Gu Jinchi, Quan Shuren, Cao Bochun, Wang Huaiyuan, Yu Xiling, Chen Suzhi, Feng Yousong, Li Jun, Bi Xizhen, Gao Jizhong, Qi Zheng, and Xu Tingsheng. Yue Qifeng, governor of the provincial government, delivered the work report of the Liaoning Provincial People's Government at the session.

Yue Qifeng's report consisted of four parts. First, review of the previous year; second, the current situation and the tasks in the new year; third, the major tasks that should be achieved in 1994; and fourth, strengthening and improving government work. [passage omitted]

All members participating in the second session of the seventh provincial committee of the Chinese People's Political Consultative Conference [CPPCC] were invited to attend the session as nonvoting delegates. Attending the session as voting and nonvoting delegates were leading comrades of the provincial party committee, the provincial people's congress standing committee, the provincial government, the provincial CPPCC committee, and the provincial military district; and veteran comrades retired from the provincial-level organs. They were Guo Feng, Li Tao, Song Li, Xu Shaofu, Wang Guangzhong, Sun Qi, Li Guozhong, Xu Wencai, Wen Shizhen, Yu Jingbo, Liu Zhenhua, Xiao Zuofu, and Xiang Jingyuan.

Liaoning CPPCC Committee Session Ends 4 Mar

SK0503063594 Shenyang Liaoning People's Radio
Network in Mandarin 1000 GMT 4 Mar 94

[Text] After satisfactorily finishing all the items on the agenda of the session, the second session of the seventh Liaoning Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] ended at Shenyang's Bayi Theater on the afternoon of 4 March.

Lin Sheng chaired the closing ceremony. Executive chairmen including Sun Qi, Lin Sheng, Liu Mingjiu, Yue Weichun, Wang Suzhi, Gao Qingzhou, Zhang Lingyun, and Zhang Chenglun were seated on the rostrum. Former Chairman Xu Shaofu and former Vice Chairmen Weizhi, Wu Jianan, Zhang Yan, Yu Jingqing, Shen Xianhui, Chen Yanzhi, Liu Qisheng, and Li Ming attended the session as nonvoting members.

At the session, (Zhang Jueyun) reported on examination of motions at the second session of the seventh provincial CPPCC committee on behalf of the motions examination committee. The session adopted the resolution on the work report of the standing committee of the provincial CPPCC committee, the resolution on the work report of the motions examination committee, and the resolution on the second session of the seventh provincial CPPCC committee.

The resolution called on all CPPCC members; the CPPCC organizations, democratic parties, and mass organizations at various levels across the province; and the personages of all circles to work with one heart and soul under the leadership of the Liaoning Provincial CPC Committee and to make positive contributions to fulfilling the 1994 reform and construction tasks.

Gu Jinchi, secretary of the provincial party committee, made a speech at the session.

He said: In the past year, the provincial CPPCC committee held high the banners of patriotism and socialism; conscientiously exercised the functions for political consultation and democratic supervision; positively participated in and discussed political affairs; and did a lot of work and produced wide influence in promoting reform, expanding the scale of opening up, establishing contacts, eliminating contradictions, promoting social stability, promoting the building of socialist spiritual civilization and socialist democratic politics, expanding the contacts with the people at home and abroad, and promoting the peaceful reunification of the motherland. The provincial CPPCC committee organized its members, democratic parties, CPPCC organizations to engage in the activities of suggesting ways and means particularly for the promotion of progress in the second pioneering work. Thus, many valuable opinions and suggestions were set forth. All this has made positive contributions to promoting the progress of reform and opening up.

Gu Jinchi said: The year 1994 is a year to accelerate the setup of the socialist market economic system. The new situation of setting up the socialist market economic

system has set new higher demands on the CPPCC work. We hope that the CPPCC organizations at various levels will conscientiously exercise the functions for political consultation and democratic supervision, suggest better ways and means for setting up the socialist market economic system, closely grasp the two major subjects of unity and democracy, and do a lot of work to safeguard social and political stability. We should conscientiously study ways for bringing into better play the CPPCC's functional role in the new situation of setting up the socialist market economic system and continue to create a new situation in the CPPCC work.

Sun Qi, chairman of the provincial CPPCC committee, made a speech at the closing ceremony.

Sun Qi said: During the session, all participants, with a high-degree sense of responsibility and mission, positively participated in and discussed the political affairs in line with the provincial actual conditions of economic construction, reform, and opening up. All democratic parties positively conducted their functions for participating in political affairs and talked freely. This has embodied the close ties of showing utter devotion to and sharing weal and woe with the CPC. I believe that through the concerted efforts of all members, all tasks as defined at this session will be realized successfully, and the provincial CPPCC committee will further improve its work of participating in and discussing political affairs and make greater progress in its work in the new year.

Liaoning Secretary Speaks on Organizational Work

SK0603051594 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 5 Mar 94

[Text] After a two-day session, the provincial work conference of directors of organizational departments concluded in Shenyang on 5 March. During the conference, the spirit of the national forum of directors of organizational departments was relayed. Yu Junbo, member of the provincial party standing committee and director of the organizational department, delivered a report to make organizational work arrangements for the province this year.

During the work conference Gu Jinchi, secretary of the provincial party committee, delivered an important speech on conducting the organizational work under the new situation and on having the province seize the opportunity and provide reliable guarantees for accelerating development.

Gu Jinchi said: An important characteristic in the current development in the country is a deep change cropping up in the transformation from the planned economic system to the market economic system. This has set new demands for the organizational work, which chiefly are to seize the opportunity and to accelerate development. In conducting organizational work under the new situation, we should not only help cadres upgrade their capability of having the market economy well in mind but also help them gain the experience of building two civilizations simultaneously. We should not only uphold the principle of having the party manage cadres, but also provide a fine environment for outstanding personnel to give full play to their professional knowledge and skill.

Gu Jinchi said: We are encountering so many difficulties and tasks for overcoming these difficulties and improving the shortcomings are very arduous. Therefore, the organizational work should assume important responsibility in this regard. The organizational front should coordinate with the propaganda and ideological front to do a good job in grasping the work of having party members and cadres emancipate their minds and in building leading bodies at all levels and party organizations at grass-roots levels so as to bring into full play the enthusiasm and creativeness of various talented personnel and to have them fully play their role in the main battlefield of economic construction.

Gu Jinchi urged the organizational departments to lead the broad masses of party members and cadres to take the lead in emancipating minds, as well as promoting the organizational work and to continuously create a new situation in work by regarding reform as a motive force.

Attending the work conference were Xu Wencai, member and secretary general of the provincial party standing committee; secretaries from the party committees under the provincial level departments and bureaus; and directors from the organizational departments of various cities.

Hong Kong

'Text' of Statement by CPPCC Hong Kong Members

OW0903144194 Beijing XINHUA Domestic Service in Chinese 1249 GMT 9 Mar 94

[Text] Beijing, March 9 (XINHUA)—Hong Kong members attending the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) issued here today a statement on Hong Kong Governor Chris Patten's tabling of the remaining parts of his political reform bill.

Following is the full text of the statement:

On March 9, Hong Kong Governor Chris Patten tabled the remaining parts of his political reform bill to the Legislative Council for the first reading. This is yet another deliberate violation by the British Hong Kong authorities of the Sino-British Joint Declaration, the Basic Law of Hong Kong Special Administrative Region and earlier agreements and understandings reached between China and Britain, and another demonstration of the British Hong Kong authorities' policy of confrontation with China. We hereby issue our solemn statement as follows:

1. The talks on the arrangement of the 1994-95 election of Hong Kong between the Governments of China and Britain have terminated because the British side unilaterally tabled to the Legislative Council its political reform bill that violates the Sino-British Joint Declaration, the Basic Law and agreements and understandings reached by the two sides, thereby disrupting the talks completely. The three-tier legislative structure that the British Hong Kong authorities set up according to its political reform bill naturally comes to an end by June 30, 1997. Hong Kong members of the CPPCC National Committee fully support relevant declarations and stand of the Chinese Government pertaining to the establishment of the first government of the Hong Kong Special Administrative Region and its three-tier legislative structure on July 1, 1997 in accordance with the Basic Law and relevant resolutions of the National People's Congress (NPC).

2. We hereby ask the central government to accelerate preparation work for the Hong Kong Special Administrative Region, speed up work pace and make all necessary preparations so as to ensure a smooth transfer of Hong Kong sovereignty and maintain its stability and prosperity.

Official Says No Plans for CPPCC Branch Organization

HK1003111694 Beijing ZHONGGUO XINWEN SHE in Chinese 1351 GMT 9 Mar 94

[By reporter Zhang Lei (1728 7191): "Qin Wenjun, Deputy Director of XINHUA Hong Kong Branch, Says

There Are Three Reasons Why CPPCC Will Not Set Up Branch Organization in Hong Kong"]

[Text] Beijing, 9 Mar (ZHONGGUO XINWEN SHE)—Qin Wenjun, member of the Standing Committee of the Chinese People's Political Consultative Conference [CPPCC] National Committee and deputy director of XINHUA NEWS AGENCY branch in Hong Kong, pointed out this afternoon that there are three reasons why the CPPCC will not set up a branch organization in Hong Kong at this time; they are: Consideration given to the administration in Hong Kong at this time; consideration given to problems after 1997; and the relevant provision of the Basic Law.

The Second Session of the Eighth CPPCC National Committee continued panel discussions this afternoon. Hong Kong members of the CPPCC National Committee were divided into two panels, and Qin Wenjun, as convener of the first panel, presided over the discussion of the first panel together with Xu Simin.

In the panel discussion, Qin Wenjun said: During today's discussion, many members have proposed that the CPPCC should set up a branch organization in Hong Kong, and in recent years some members have kept making such a proposal. We will relay your ideas and suggestions to the senior levels and will ask them and the relevant departments to study and consider them.

He said: In my opinion, it is not very suitable to establish a branch organization of the CPPCC in Hong Kong under the current conditions, and there are three main factors, which are provided for the members' reference.

First, the CPPCC is a political organization in which China's CPPCC members participate in government and discuss government matters, whereas Hong Kong is still under the administration of the British Hong Kong authorities, so it is not suitable to establish such an organization in Hong Kong.

Second, after 1997, the Chinese Government will practice "one country, two systems" in Hong Kong, therefore it is believed that the way such an organization will be established at that time is a problem that is being deliberated by the relevant quarters.

The third point is that the Basic Law has relatively clear stipulations on the issue of establishing Hong Kong branches or offices by the organizations inside the country (including government departments and power organs).

He said that therefore, judged from the current situation, it is not very convenient to set up a branch organization of the CPPCC in Hong Kong.

XINHUA Criticizes Britain's 'Lack of Sincerity'*OW0903145394 Beijing XINHUA in English 1440
GMT 9 Mar 94*

[Text] Hong Kong, March 9 (XINHUA)—A local newspaper today quoted a senior Chinese official as saying that there is lack of sincerity on the part of the British side from the very beginning of the Sino-British talks over the Hong Kong issue.

Zhang Junsheng, deputy director of XINHUA NEWS AGENCY Hong Kong Branch, made these remarks at a public occasion held here on Tuesday [8 March] night in response to the Hong Kong Government's decision to table the remaining part of its political reform bill to the Legislative Council.

Zhang said that the Chinese side had always wanted to cooperate with the British side over the Hong Kong issue, but the British side did not want that cooperation.

The unilateral action taken by the British side last December to table the first part of Hong Kong Governor Chris Patten's Political Reform Bill to the Legislative Council regardless of the repeated admonitions by the Chinese side had already signaled that they had not really wanted the talks, said Zhang.

"In fact, there is lack of sincerity on the part of the British side from the very beginning of the Sino-British talks," he said.

Zhang listed a number of facts to support his argument.

In view of the records of the British side for not being able to abide by agreements, he said that the Chinese side had insisted that certain principles of the talks must be set up before the two sides began to talk.

But the British side refused to do so, he said, adding that the Chinese side later made concessions over the issue so that the talks could proceed.

However, said Zhang, during the talks the British side had put forward a number of unreasonable demands including things amounting to interference in the sovereign rights of China and affairs that should be handled by the future government of the Hong Kong Special Administrative Region.

In order to break the deadlock of the talks and achieve an agreement, Zhang went on, the Chinese side later proposed to solve the easier problems regarding the 1994-95 electoral arrangements in Hong Kong first before more difficult ones were touched upon.

At first, the British side objected to the proposal, said Zhang. The two sides were not able to sit down to talk until the Chinese side had accepted a number of preconditions put forward by the British side, he added.

However, Zhang said, when the two sides were almost to reach an agreement, the British side suddenly decided to withdraw from the talks by finding some flimsy excuses.

Now it is very clear that the Chinese side has made its utmost efforts in the Sino-British talks over the Hong Kong issue, said Zhang, adding that it is the British side that has sabotaged the talks and cooperation between the two sides.

Chen Ziyang Discusses Sino-British Cooperation, Airport*HK1003102094 Hong Kong WEN WEI PO in Chinese
9 Mar 94 p A2*

[Dispatch: "Chen Ziyang Urges British Side Not To Undermine Cooperation Again, Stresses That Airport Financing Package Is Being Studied"]

[Text] Beijing, 8 Mar (WEN WEI PO)—Chen Ziyang, deputy director of the State Council Hong Kong and Macao Affairs Office, pointed out here today that although the British side had already sabotaged Sino-British cooperation on the issue of Hong Kong's political system, he hoped the British side would not undermine cooperation in other aspects. He also said that as the Preliminary Work Committee [PWC] was bearing a heavier work load, he did not rule out the possibility that the National People's Congress [NPC] Standing Committee would appoint new members to the PWC.

Chen Ziyang made these remarks when answering questions raised by reporters after he had attended the opening ceremony of the Second Plenary Session of the Eighth CPPCC National Committee today. He said: The Sino-British Joint Declaration stipulates that the Chinese side and its British counterpart should make joint efforts to maintain the smooth transition of Hong Kong. The Chinese side has always called for handling things in accordance with the Joint Declaration, and its deeds always square with its words. The British side, however, has undermined cooperation between the two sides on the issue of Hong Kong's political system, which produced bad effects. The Chinese side wishes that its British counterpart would not undermine cooperation between the two sides in other aspects.

When asked about the fourth new airport financing package, Chen Ziyang said that the Chinese side was studying it vigorously. He stressed: Every problem related to the new airport should be solved by proceeding from the objectives of contributing to Hong Kong's prosperity and stability, and of fully implementing the stipulations of the Memorandum of Understanding on the new airport. All the suggestions made by the Chinese side have been written down in the Memorandum of Understanding as the consensus of the two countries, and no new demands have been set since then. Hence, as long as everything is done in accordance with the Memorandum of Understanding, a larger and better new airport will emerge very soon.

When talking about the PWC's work, Chen Ziyang said: The PWC has very heavy tasks to bear, and much work must be studied seriously. It is not enough merely to rely on the strength of the 57 incumbent members, so I do not

rule out the possibility of recruiting more members in the future. Moreover, the State Council Hong Kong and Macao Affairs Office and the XINHUA Hong Kong Branch are making preparations for recruiting the third group of Hong Kong affairs advisers, and the list can be published once the work is complete.

On the other hand, Zheng Yi, deputy secretary of the NPC Standing Committee and deputy director of the PWC, said today that the PWC was handling its work quite smoothly and that the five special subgroups were vigorously accelerating their work. He said: As a work organ under the NPC Standing Committee, the PWC should report on its work to the NPC regularly. However, this topic has not been placed on the agenda of the NPC session this year. In the future, the PWC will report on its work according to the progress and requests made by deputies to the NPC.

Official Views UK's Responsibility for Talks Failure

*HK1003064994 Hong Kong WEN WEI PO in Chinese
8 Mar 94 p A11*

[Report: "Zhang Junsheng Cites Host of Facts Indicating That British Side Is Responsible for Undermining Talks"]

[Text] Zhang Junsheng, deputy director of XINHUA News Agency Hong Kong Branch, yesterday cited a host of facts to point out that the British side is solely responsible for undermining the Sino-British talks and cooperation. Robin McLaren, the British ambassador to China, said yesterday morning after attending a meeting of the Executive Council in Hong Kong, that he hoped the Chinese side would not overreact to the tabling of the second part of the reform bill by the Hong Kong Government in the Legislative Council today. Zhang Junsheng said he wanted McLaren to explain what is meant by "overreact."

Zhang Junsheng said that as far as the Chinese side is concerned, its original intention was to win cooperation with the British side, and that the British side is the one who has now undermined the talks and cooperation. The British side decided unilaterally last year to leave the negotiating table and to submit the first part of the reform bill to the Legislative Council, and this showed that they did not want to have Sino-British cooperation, but wanted a complete breakdown of the talks.

Zhang Junsheng reflected: "In fact, since the very beginning of the Sino-British talks, the British side did not have sincerity for the talks." When the Sino-British talks began, in light of the British side's record of not keeping its promises in agreements, the Chinese side first demanded the British side to recognize the principles for the relevant talks, but the British side refused to recognize these relevant principles. Afterwards, the Chinese side made concessions and the talks were able to enter a concrete stage. However, the British side did not return to the foundation of the Sino-British understanding, but

raised many unreasonable demands, including attempts to interfere in China's sovereignty as well as matters which should be handled by the future government of the special administrative region, and this led the talks to an impasse. Thereafter, in order to win an agreement, the Chinese side proposed separating the arrangements for the 1994 and 1995 elections and solving problems step by step through the method of "tackling the easy ones first." In the beginning, the British side rejected this and then raised a number of preconditions; both sides discussed the methods, however, when an agreement was about to be reached, the British side quit the talks with an excuse. They are now saying that because the Chinese side omitted the words "on its own" from the phrase "the government of the special administrative region will determine on its own whether to reinstate the appointed membership system," they quit the talks. Zhang Junsheng said that this was complete sophistry from the British side. In fact, the British side never mentioned this problem across the negotiating table, while in diplomacy such wording problems can be discussed after the principle has been fixed.

Zhang Junsheng said that, in fact, the British side had left the negotiating table because it insisted on solving the problem of using the single-seat, single-vote system in the 1995 Legislative Council elections simultaneously, whereas this problem is a problem of principle. The British side's rationale was that the single-seat, single-vote system had already been passed by the Legislative Council. If anything passed by the Legislative Council can be imposed upon the Chinese and British Governments, then what kind of talks were these? Using such an excuse to quit the talks only shows that the responsibility for undermining the talks and cooperation is solely on the British side.

XINHUA Official Comments on Patten's Tabling Proposals

*HK1003062994 Hong Kong TA KUNG PAO in Chinese
10 Mar 94 p 2*

["Special dispatch": "Chen Ziyang Comments on Tabling of Constitutional Reform Package to Legislative Council, Stressing That British Side Refuses to Cooperate With Chinese Side Because It Does Not Want To Have Through Train"]

[Text] Chen Ziyang, deputy director of the Hong Kong and Macao Affairs Office of the State Council, said here today: It is not strange that Hong Kong Governor Chris Patten is tabling the other part of his political reform proposals to the Legislative Council [Legco]. It seems that the British side is determined not to converge with the Basic Law. However, the structure of three-tier councils of Hong Kong formed during British rule will end on 30 June 1997. By doing this, the British side will have to be totally responsible for all consequences thus arising.

Chen Ziyang, who attended a CPPCC panel meeting today, made the above remarks when asked a question by reporters.

Chen Ziyang said: Everyone sees very clearly that the British side has already decided to refuse to cooperate with the Chinese side on the political system issue by coming up with another package which does not converge with the Basic Law. This shows that they do not wish to have the through train. "It seems that they are already determined about this, so it is not strange (that they are tabling another part of the political reform package to the Legco).

A reporter asked what he thought about some NPC deputies from Hong Kong preparing to make an official proposal to the forthcoming NPC session that the three-tier councils be reelected.

Chen Ziyang said: I am not very sure of the contents of the proposal, but I believe that after 1997 as China resumes the exercise of sovereignty over Hong Kong, "we have the Basic Law and we are completely able to and have the means to thoroughly implement the relevant provisions of the Basic Law and to carry out one country, two systems, and the rule of Hong Kong by Hong Kong people. This is not to be doubted at all."

He said: Now that the British Hong Kong authorities are determined to refuse to cooperate with the Chinese side on the political system question and not to converge with 1997 during the transition period of British rule, "the decisions they make before 30 June 1997 under the British Hong Kong administration, of course, will be valid until 30 June 1997, and this means that the three-tier councils formed in Hong Kong under British rule will end then. This is a very natural thing. By doing this, the British side will have to be completely responsible for all consequences thus arising."

Moreover, asked whether the Chinese side has taken a milder attitude than in the past, Chen Ziyang said there is no question of being mild or not, the Chinese side's fixed position has always been to maintain Hong Kong's smooth transition and long-term prosperity and stability.

Regarding whether or not the fact that the British side has ruined the foundation of cooperation will have an adverse influence, Chen Ziyang stressed: "We have always hoped that China and Britain could have good cooperation on the question of Hong Kong during the transition period as this is good for Hong Kong's smooth transition. But this is only our wish. The British side does not wish the same. In the last 17 rounds of talks, we already made very great efforts, but in the end they were ruined by them so easily. This was what we very much did not want to see. The fact that they have ruined cooperation on the political system issue, of course, has a very bad influence. Therefore, we hope that the British side will not ruin cooperation in other areas any longer and will not go against the wishes of Hong Kong people any longer.

PRC Offers Former Top Civil Servants Adviser Roles

HK1003043424 Hong Kong EASTERN EXPRESS in English 10 Mar 94 p 1

[By Rain Ren]

[Text] China has asked John Chan and Yeung Kai-yin, the two most senior civil servants to have resigned from the Government recently, to become Hong Kong affairs advisers. A senior Chinese official yesterday confirmed for the first time that Chan, the former secretary for education and manpower, and Yeung, the former secretary for the treasury, had been approached by the New China News Agency (XINHUA) and invited to be among the third batch of advisers.

Neither was available for comment yesterday. They are believed to be considering the offers.

The Chinese source also confirmed that Peggy Lam one of the most senior legislative councillors and chairwoman of Wan Chai District Board, had accepted the offer to become an adviser along with four other district board chairmen. They are Shum Choi-sang of Eastern, the former owner of WAH KIU YAT PO; Choy Wai-shek of Sham Shui Po, also a member of the Airport Consultative Committee; Pang Hang-yin of North; and Chau How-chen of Tsuen Wan. The appointments will be announced in Beijing at the end of this month.

The new advisers will be invited, like their predecessors, to go to Beijing to attend a certificate awards ceremony.

XINHUA is understood to be involved in final consultations with several other candidates who are still to decide whether to serve on the influential advisory body.

Chan, now managing director of Kowloon Motor Bus, was once a key strategist for the government in handling talks with China over the future of Hong Kong leading up to the signing of the Joint Declaration in 1984. He is also tipped as one of the strongest candidates for the future chief executive of the special administrative region (SAR) government after the handover in 1997.

When Chan left the administration last summer, he said that he would be prepared to offer advice to the Chinese government if it was sought. Chan's resignation was a surprise to the administration and he has refused to reveal why he quit. It has been speculated that he left to distance himself from the controversial political reform plans of the Governor, Chris Patten, and to further his political future after 1997.

Yeung was a more distant runner in the chief executive stakes. It was believed that he resigned from the government last year over differences of opinion with Patten over the administration's style of management. Yeung is regarded as a top administrator and is now an executive director of Sino Land, a land development and investment company.

It is Beijing's intention to invite former government officials to be advisers because of their knowledge, understanding, and experience. It is understood that there will be about 40 new Hong Kong affairs advisers, bringing the total to more than 100. China has already invited two democrats, Antony Cheung, chairman of Meeting Point, and Frederick Fung, chairman of the Association for Democracy and People's Livelihood, to become advisers. They have accepted the invitations.

China has appointed three levels of advisers: The Preparatory Working Committee, the Hong Kong advisers and the more junior district affairs advisers, who were appointed last week to advise on nonpolitical matters. Two district board chairmen, Ambrose Lau of Central and Western and Lau Wong-fat of Tuen Mun, were appointed in the first and second batches.

Government To Lobby For Unconditional MFN Status

HK1003060794 Hong Kong HONGKONG STANDARD
in English 10 Mar 94 p 4

[By Jim Cheung]

[Text] The Legislative Council yesterday passed a motion calling on the government to lobby for unconditional renewal of China's most-favoured-nation (MFN) trading status by the United States. "The renewal of China's MFN status should not be linked to human rights or any other nontrade related conditions," said Liberal Party legislator James Tien who moved the motion.

U.S. President Bill Clinton issued an executive order last year specifying that China's MFN status would only be renewed if it improved its human rights record.

Mr Tien urged the government to call on Washington not to "politicise economic and trade issues" and to avoid trade wars that might jeopardise the economies of China, the U.S., and Hong Kong.

It is estimated that Hong Kong will lose almost \$200 billion in trade and 75,000 jobs if MFN is withdrawn.

Liberal Party legislator Henry Tang called on the government to lobby for permanent MFN status for China instead of yearly renewal.

But the United Democrats (UDHK), the second largest voting block in the legislature rejected the Liberal Party's proposal to decouple human rights and the MFN. UDHK legislator Huang Chen-ya moved an amendment urging the government to mount pressure on China to improve human rights to secure permanent MFN status. But that brought torrents of criticism from the Liberal Party and other pro-democracy factions, with Liberal Party legislator Selina Chow accusing the UDHK of double standards. "On the one hand, the UDHK urged the Chinese Government to separate economic issues and political ones. But on the other hand, they support

the U.S. (in linking) human rights with trade issues." She condemned the UDHK for standing by the U.S. government over its use of human rights as a tool to interfere in the political affairs of other countries.

Association for Democracy and People's Livelihood (ADPL) legislator Frederick Fung also opposed the UDHK move. "If MFN is not renewed this year, human rights conditions (in China) may even worsen because of the adverse impact on China's economy," he said.

Meeting Point legislator Fred Li shared the ADPL view calling for unconditional MFN renewal. But UDHK legislator Cheung Man-kwong fended off the criticisms, accusing the Liberal Party of "turning a blind eye" to human rights in China.

"If we keep silent... the Chinese Government will further abuse human rights," he said.

Mr Cheung's ally, James To, said the U.S. Government had already spelt out that "the link between human rights and MFN was an undeniable fact." "We want MFN renewed. But we also want human rights to be improved," he said.

The UDHK amendment was defeated by 29 votes to 13.

Secretary for Trade and Industry Chau Tak-hay travels to Washington this month to relay Hong Kong's concerns. He said the government would lobby for unconditional MFN renewal for this year and rejected calls to mount pressure over human rights. "It would be tempting to think that such an appeal to China would be entirely logical." He added that it was wrong to mix politics with trade.

Government Presents Electoral Reform Bill to Council

HK1003043794 Hong Kong SOUTH CHINA
MORNING POST in English 10 Mar 94 p 1

[By staff reporters]

[Text] The controversial electoral bill was tabled in the Legislative Council yesterday, as China repeated warnings it would disband the three tiers of government in 1997. In moving the Legislative Council (Electoral Provisions) (Amendment) Bill 1994, the Secretary for Constitutional Affairs, Nicholas Ng Wing-fui, said the proposals on functional constituencies and the election committee were in line with the Joint Declaration and the Basic Law.

In Beijing, senior officials and Hong Kong advisers to China warned the Hong Kong administration not to mislead the public into believing the three-tier political structure would survive beyond 1997. A deputy director of the local Xinhua (the New China News Agency), Qin Wenjun, accused Governor Chris Patten of spreading rumours that the Chinese Government would not risk international criticism by dismantling the pre-1997 political structure.

"It is a total deception and misleads the public. The political structure formed under the 'triple violation blueprint' can never survive (the sovereignty transfer)," Mr Qin said.

A vice-director of the State Council's Hong Kong and Macao Affairs Office, Chen Ziyang, said the tabling of the electoral bill was "no surprise." "Any consequences incurred because of that will have to be fully borne by the British Government," he said.

Director of the local XINHUA, Zhou Nan, said Britain's unilateral move would have no major adverse impact on the territory's smooth transition. "I've said in the past that they have damaged (the talks) a long time ago."

Under the bill, corporate voters on the existing functional constituencies would be replaced by individual voters in the companies or organisations in each functional group. Together with the nine new functional constituency seats, the entire workforce of more than 2.7 million would be given a vote in the functional constituency polls.

The first part of the electoral bill, containing less controversial reforms, was passed last month.

Editorial Warns Against Inflation, Dependence on China

HK0303095494 Hong Kong SOUTH CHINA MORNING POST in English 3 Mar 94 p 18

[Editorial: "Shadows Over Budget"]

[Text] Sir Hamish Macleod yesterday brought down a Budget which should be the envy of the developed world. In what other country could the government cut salaries tax and profits tax—taxes that already are low by world standards—order big increases in spending on social welfare, health, education and roads, and still produce a surplus? If the Financial Secretary's forecasts prove correct, the surplus will help produce reserves of more than \$260 billion, to be handed over to the Special Administrative Region [SAR] government in 1997.

The Budget is generous—but Sir Hamish could afford to be big-hearted. As he said, the task of this Budget was to manage prosperity. That this is so is a tribute to the Government and its basic philosophy of keeping its own activities restrained to allow the private sector to blossom and to the productive energy of the people of Hong Kong. It is a tribute, too, to fortune—the good fortune of being in the world's fastest-growing region and the bad fortune of a sky-rocketing property market which nevertheless keeps filling the administration's coffers.

The salaries tax concessions will help ease the financial burden on millions of people. The profits tax cut should help to make Hong Kong business a little more competitive. The forecast reserves awaiting the new sovereign government in 1997 should calm China's fears that

borrowing to build the airport and related projects would risk leaving the SAR bankrupt.

High Growth Needed

All this is based on the assumption of continued high economic growth. Growth in 1994-95 is estimated to stay at 5.5 percent—well above growth rates in other developed economies. The territory's growth should be helped by better performance in the United States and United Kingdom and by continued rapid expansion in China.

Unfortunately, another key figure is forecast to be unchanged in 1994-95: The rise in the cost of living will again be 8.5 percent, eroding the gains people will make from tax cuts and salary rises. As the Budget is in surplus, it should make a small contribution to keeping inflation controlled. But the tax cuts will fuel more consumer spending, helping to push inflation up.

The property boom will continue to be one of the biggest contributors to inflation. Sir Hamish admitted that Government moves to try to control property prices (including the restrictions on mortgage lending) had been ineffective. He proposed a number of measures to increase the supply of new land and building sites and cut delays in getting projects finished in an effort to control prices.

But he also decided to reduce the impact of property stamp duty for lower- and medium-priced flats. Making it easier for people to buy homes is desirable socially but the effect of higher demand will be to pull prices up. The Budget will not keep a lid on the price of property.

Inflation, however, is not the only cloud on the budgetary horizon. The territory's dependence on China, which accounts for so much of our prosperity, also brings risks.

Beware the Fallout

One flows from the possibility that China's economy will grow too quickly, producing a bust to follow the present boom. That would hurt Hong Kong businesses and families and make nonsense of the Budget forecasts. Another comes from the annual debate over China's Most Favoured Nation (MFN) status with the US. If MFN were not continued both the US and the Chinese economies would be damaged. The fallout for the territory would be devastating.

The Budget documents estimate that, if China lost its MFN status, Hong Kong would suffer a loss of up to \$26 billion in income and of up to 75,000 jobs. Growth would be cut to just over three per cent. Little wonder that the Government supports China's case in this annual battle with the US.

Hong Kong began compiling growth statistics in 1966. Since then the territory has enjoyed—and earned—27 unbroken years of expansion. That historical fact is no guarantee that growth will go on. So people here should be concerned about China and its trade. We should hope

that Beijing manages to keep high growth going without losing control. And we should hope that the US puts its muscle behind levers other than trade as it tries to press China for improvements in human rights.

If those hopes are realised, the clouds will cast nothing but shadows on the bright economic picture. Hong Kong will have its 28th straight year of rising prosperity.

Column Welcomes Offer of Visits to PLA Training Camps

HK2702023194 Hong Kong HONGKONG STANDARD in English 26 Feb 94 p 11

[From the "Focus" page: "Weekly Notes" column by Assistant Editor Jackie Sam: "PR Exercise Will Endear PLA Soldiers to the Public"]

[Text] If Mr Liu Guinan, vice-director of the People's Liberation Army (PLA) Guangzhou political department, is to be believed, China will soon be throwing open some PLA camps to Hong Kong people. These are camps where soldiers sent here in 1997 are being trained.

This will be a PR exercise. No more, no less. Or, re-phrased in the language of the Cold War, a campaign to win the hearts and minds of Hong Kong people. It's a good start. Hong Kong people have to get used to the PLA and vice versa. The last thing we would want to see in 1997 is the PLA regarded as an occupation army. Or the PLA treating the Hong Kong population with hostility.

Widespread anxiety about a PLA presence is a fact of life. The reasons are historical. Beijing is aware of this, otherwise it would not have gone to such lengths to select and train the men and women who will be stationed here. Their special preparation includes the study of Hong Kong laws, way of life, languages (Cantonese and English), and all the nitty-gritty which makes this territory so exasperatingly unique. Regular visits to the Guangdong camps by Hong Kong people will foster understanding, goodwill and—hopefully—lasting bonds.

Hong Kong Affairs Advisers and the territory's National People's Congress deputies appear to be at the top of the PLA invitation list, presumably because they are important people. Giving important people first crack is, of course, the Chinese-way in such matters. But if the object of this exercise is winning hearts and minds, the people who matter are the ordinary folk. Will the common folk get invited? Or are invitations to be confined to community leaders? Will grassroots leaders like District Board (DB) members get a chance to visit the camps? Will all these people—DB members or common people—have to pass political muster, meaning their views must be acceptable to China? These are some of the questions which need to be asked. Because the converted have less anxieties about a PLA presence than the apolitical majority or those opposed to the transfer of sovereignty. Inviting only the converted will not advance the PLA

cause of building bridges, making friends. Ultimately the whole population has to get along with the PLA, and vice versa.

There are other areas the PLA can usefully explore to achieve its aims. Inviting university undergrads to participate in language training would help to foster better understanding between the young soldiers and Hong Kong youth. Another way would be to liaise with the Hong Kong Administration to enable batches of PLA men to visit the territory informally, to familiarise them with the sights and sounds of Hong Kong. If this was done on a regular basis, the PLA contingent would not be total strangers on arrival in 1997.

If the Hong Kong Administration is sincere about a smooth transition, it would offer to arrange such familiarisation tours without waiting to be asked. It would also be reassuring to Hong Kong people if China could enact laws covering the behaviour of its troops in the territory speedily and disseminate them. This way both Hong Kong people and the individual soldiers would know exactly what each other's rights and responsibilities are.

Hong Kong people want to be assured that PLA men posted here would be subjected to the rule of law. They would want to be assured, too, that their public behaviour would be subject to civilian control. What goes on within the camp where Hong Kong people and Hong Kong interests are not involved is another matter. But a PLA officer who gets involved in a drunken brawl with a local in Wan Chai, or runs up a bill he cannot settle must be subject to local laws. If a soldier has committed an offence outside his camp and the aggrieved party is a local, it would be most reassuring to know that a policeman can arrest him and deal with him under Hong Kong laws, without a superior PLA officer having the right to intervene. The PLA, undoubtedly, has this in mind. But, for most people here, seeing will be believing.

The PLA is not the monster that a minority in Hong Kong have made it out to be. But the PLA is made up of many soldiers, all human beings. And Hong Kong is a city of countless temptations. Hong Kong people are also far more individualistic than their mainland counterparts. The PLA is off to a good start. But it needs to keep in mind at all times its aim to endear itself to Hong Kong people.

Macao

Sino-Portuguese Joint Liaison Group Holds Talks

OW2502133694 Beijing XINHUA in English 1325 GMT 25 Feb 94

[Text] Macao, February 25 (XINHUA)—The Working Committee of the Sino-Portuguese Joint Liaison Group discussed handling of three major issues during the transitional period in Macao at its 11th meeting held here today.

Han Zhaokang, a representative from the Chinese team of the Joint Liaison Group, told reporters after the meeting that the Chinese side mainly listened to the introduction by the Portuguese side on their work to deal with the three major issues, namely localization of public servants and law as well as officialization of Chinese language.

The official said that the Chinese side also made initial comment on the Macao Criminal Law handed over by the Portuguese side recently.

The official added that the two sides have all stressed the importance and pressingness to handle the three major issues during the transitional period, as 1999 is nearer.

Moreover, the two sides also expressed the hope to handle these issues as quickly as possible, he said.

Macao Reports 1.9 Billion Pataca Trade Deficit in '93
OW0803051094 Beijing XINHUA in English 0501
GMT 8 Mar 94

[Text] Macao, March 8 (XINHUA)—In 1993, Macao posted a total foreign trade deficit of 1.9 billion Macao patacas (about 240 million U.S. dollars), an increase of 18.5 percent over 1992.

Last year's exports totalled 14.2 billion Macao patacas (about 1.84 billion U.S. dollars), a 1.1 percent rise over the previous year's figure. While the imports reached 16.1 billion Macao patacas (about 2.09 billion U.S. dollars), climbing by 2.9 percent.

Textile and clothes are Macao's main export commodities, accounting for 72.9 percent of the total export volume. However, the ratio dropped by 3.4 percent in 1993 as compared with 1992.

There was also drop in exports to Europe and the United States, two main export markets of Macao, which absorb 60 percent of the total export volume.

Exports to Asian markets continued to rise reaching 28.6 percent last year.

Rise in imported consumer goods, raw materials and semi-finished products, which amounted as high as 82.7 percent, has resulted in the increase of Macao's imports.

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